East India

Indian Financial Statement

1887-88 & 1894-95

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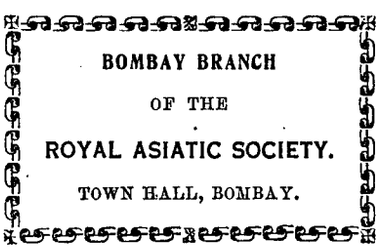

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EAST INDIA (FINANCIAL STATEMENT, 1887-8).

RETURN to an Address of the Honourable The House of Commons, dated 27 April 1887;—*for,*

COPY

OF

INDIAN FINANCIAL STATEMENT

FOR

1887-88.

India Office,
28 April 1887.

J. A. GODLEY,
Under Secretary of State for India.

(*Sir George Balfour.*)

00134383

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FINANCIAL STATEMENT FOR 1887-88.

INDEX.

	PARA.
Accounts, 1885-86	1 & 7
Revised Estimates, 1886-87	2 & 9
Budget Estimates, 1887-88	5 & 14
Financial Situation	19
Revision of Provincial Contracts	21
Effect of Present Revision	54
Suspension of Famine Insurance Grant	68
Income Tax—Results	76
Railway Statistics	70 & 79
Army	81
Opium	82
Exchange (Estimate of Loss)	83
Salt	85
Import of Gold	88
Savings Banks	89
Details of Comparison—	
Revised, 1886-87, with Budget, 1886-87	92
Budget, 1887-88, with Revised, 1886-87	95
Ways and Means and Proposed Loans	98
Summary	99

APPENDICES.

Appendix I.

Accounts and Estimates.

	PAGE.
General Statement of the Accounts and Estimates of the Revenue and Expenditure and Receipts and Disbursements of the Government of India, in India and in England	52
A.—Statement of the Revenue of India, in India and in England	54
B.—Statement of the Expenditure chargeable on the Revenues of India, in India and in England	56
C.—Statement of Receipts and Disbursements other than Revenue and Expenditure of the Government of India, in India and in England	60
D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Contracts	62
E.—Statement of Net Revenue and Expenditure—England and India	64

Appendix II.

Commercial and Financial Statistics	67

FINANCIAL STATEMENT

FOR

1887-88.

1. The Accounts for the year 1885-86 correspond very closely with the figures of the Revised Estimates given in the Financial Statement for last year. The deficit in that year was then calculated at 2,890,800 *l.*; the actual figure as now finally shown in the Accounts is 2,801,726 *l.* Accounts, 1885-86.

2. The Revenue Estimates for the year 1886-87 have not in any material degree been modified by the results of the year. It will be seen from figures furnished in a later page of this Statement, that the revenue taken in the Revised Estimates of 1886-87 exceeds that shown in the Budget Statement of the same year by 273,000 *l.* Revenue Estimates, 1886-87.

3. The Estimates of Expenditure have been disturbed by two causes which, at the time they were under preparation, were known to threaten uncertainty, but in other respects they are borne out by the result shown in the Revised Estimates. There has been a greater charge on the expenditure side than was provided under the head of Exchange, the difference being 474,600 *l.*; and events in Upper Burma have compelled the Government to maintain a strong force there throughout the year, and to carry out the active operations necessary to secure and preserve order. The extra cost on this head for the year 1886-87 may be put at 860,000 *l.* The combined excess expenditure under these two heads during the year 1886-87, for which the Government has had to make provision, amounts to 1,334,600 *l.* Expenditure Estimates, 1886-87.

4. The revision of the engagements with Provincial Governments has occupied the attention of the Government during the year. The five-year contracts with the Provincial Governments, which expire on 31st March 1887, have been renewed, during the year now closing, with the assistance of the Finance Committee. In the renewal of these contracts, opportunity has been taken to submit the revenue and expenditure of the several local governments to the scrutiny to which the Government of India has subjected departments subordinate to itself. The matter is fully dealt with in the following pages; but it may be stated here that, after allotting to Provincial Governments the sums necessary for the services assigned to them, the revenues of the Government of India through the re-arrangement of the provincial contracts have been strengthened by a maximum sum of 640,100 *l.*, though, in the ensuing year, the amount taken on the estimates is, for reasons which will be explained, 490,000 *l.* only. The Finance Committee's recommendations, and those of Sir Charles Elliott and his colleagues who were appointed, when the Finance Committee had separated, to carry to a conclusion certain inquiries, will for a considerable time continue to occupy the attention of the Government, extending as they do to a variety of subjects, and dealing with them in great detail. It is impossible to estimate at present what the net result may be of the decisions ultimately to be taken by the Government on the various suggestions of the Finance Committee; to whom, meanwhile, the Government is greatly indebted for their discharge of the task entrusted to them. The yield of the Income Tax during the year is taken in the Revised Estimates at 1,348,100 *l.* against 1,458,100 *l.*, the figure entered in the Budget Estimates. Measures have come into force during the year for carrying into effect what is known as Article III. of Enumeration of questions of importance under consideration during 1886-87.

of the Chefoo Convention. By that Article opium entering the treaty ports in China will in futuro pay a consolidated sum of taels 110 per picul, and will be free of all the further inland duties known as lekin, instead of paying, as hitherto, 30 taels per picul duty, and whatever lekin might be imposed upon it in the course of its transit inland. The Convention came into force on 1st February, and is now in full vigour.

Estimates, 1887-88.

5. Turning to the ensuing year, and taking as a guide the results shown in the Estimates of the closing year, we find that the main points in the revenues and expenditure of the year which is commencing may be thus summarised. An addition has been made to Imperial revenues of 490,000 *l.* by the revision of the provincial contracts; but of this, 400,000 *l.* was anticipated in the receipts of 1886-87 in the form of contributions from certain local governments. A further sum of 256,300 *l.* has been taken as the estimated increase in the revenue of Upper Burma, and 625,600 *l.* has been added to the railway revenue; a net total of 971,900 *l.* on the revenue side, to which must be added an item of 359,100 *l.*, explained in paragraph 18 as taken on exchange; on the expenditure side, this is balanced by the additional charge of 285,400 *l.* in the expenditure necessary for Upper Burma and by 781,300 *l.* increased railway expenditure, debitable to revenue. Provision is made in the Estimates of 1887-88 for 344,984 *l.* for giving further effect to the increase to the effective strength of the army, decided upon in 1885-86. The excess of revenue on the above accounts is nearly the same as the excess of expenditure.

Taxation not proposed.

6. These remarks exhibit the main results of the past year, and the general outcome of the anticipations for the coming year. It may be added here that, in view of the causes which have led to an increase of expenditure, and to the other considerations which present themselves in connection with the financial situation, it is not the intention of the Government to add to existing taxation. The growth of expenditure in the Estimates of 1886-87 and 1887-88 arises in part from war charges and in part from a further fall in the exchange; and the Government is of opinion that it would be undesirable to seek to meet the deficit at present arising from these causes by the imposition of further burdens. The attention of Her Majesty's Government has, during the year now closing, been turned to the difficulties caused to the Government of India by the fall in silver, and the question of gold and silver currency has been submitted to a Royal Commission, the result of whose deliberations must be awaited. The present military expenditure in Upper Burma is of a temporary nature; and, although considerable sums must be expended during the next two or three years in opening up communications in Upper Burma, and in providing the public buildings necessary for the accommodation of the garrison and for the conduct of business, it may be expected that with the return of order the revenues of Upper Burma will expand, and that its resources will become in an increasing degree available. For the present, therefore, until the outcome of present difficulties is seen more clearly, the Government considers that, in providing for the necessary expenditure arising from its administrative needs, it should avail itself of resources which, in times of surplus, are assigned from its revenues to the construction of railways, or to the diminution of the amount which it borrows annually for railways. Having thus indicated the outlines of the financial situation of the two years, 1886-87 and 1887-88, I proceed to a statement of the results shown on the Accounts of 1885-86, the Revised Estimates of 1886-87, and the Estimates of 1887-88, and of the measures to which the Government has had recourse in order to maintain equilibrium.

Accounts of 1885-86.

7. In the last Financial Statement the Revised Estimates of 1885-86 were given as Revenue, 73,598,100 *l.*; Expenditure, 76,488,900 *l.*; Deficit, 2,890,800 *l.* The Accounts closely correspond with the above result, and are—

	£.
Receipts	74,464,197
Expenditure	77,265,923
Deficit £.	2,801,726

Results of Accounts, 1885-86.

The deficit, as explained last year, was entirely due to the excess expenditure caused by the military preparations of the year, in anticipation of war, to increased

increased political expenditure, and to the cost of the expedition to Burma. There is nothing in the accounts which calls at this late date for further explanation.

8. As the Budget provided for a surplus of 646,600 *l.*, the final result was worse than the Budget by 3,448,300 *l.* The main items of this difference were as follows:—

	Better.	Worse.
IMPERIAL:	£.	£.
Opium	-	661,000
Delimitation Commission, Rawalpindi Durbar, and Political Subsidies.	-	412,900
Army, Quetta Force	-	2,116,500
„ Burma Expedition	-	604,900
Exchange	-	709,700
Railway Revenue Account	789,600	—
Reduction of Expenditure under Buildings and Roads	278,500	—
TOTAL	1,068,100	4,505,000
Net Worse £.	-	3,436,900

Full explanation was given in the Financial Statement of 1886-87 under each of the above heads.

Results of Revised Estimates, 1886-87.

9. The Budget Estimates for 1886-87 were Revenue, 75,798,700 *l.*; Expenditure, 75,616,500 *l.*; the estimated surplus was therefore 182,200 *l.* On the Revised Estimates for that year, after taking from the Famine Insurance Grant, as explained in paragraphs 68 *et seq.*, the amount necessary to obtain equilibrium, the figures stand:—

	£.
Revenue	76,071,700
Expenditure	76,071,200
Surplus £.	500

Items of Excess Expenditure.

10. The Estimates of 1886-87 have been very materially modified during the course of the year, and the result above arrived at is due, as will be seen, to the adoption of measures which were not contemplated when the Estimates for the year were framed. Excess expenditure on account of military operations in Burma, to the amount of 860,000 *l.*, was incurred during the course of the year. The Civil Estimates for Upper Burma were increased by 289,300 *l.*, mainly on account of Police. Opium gave 328,700 *l.* less; the charge on account of exchange was increased by 474,600 *l.* There were other items of increased expenditure of less importance, but the total of the four items above enumerated amounts to 1,952,600 *l.*

11. The revenues in the Revised Estimate, on the other hand, amounted to 76,071,700 *l.*, against 75,798,700 *l.* taken in the Budget Estimates, or an excess of 273,000 *l.* only. The following Table shows the causes of difference between the Budget Estimates of 1886-87, and the Revised Estimates as now presented. As shown in the foot-note of the Statement on page 53, the final result is reduced from a surplus of 182,200 *l.* to one of 500 *l.* only, a deterioration of 181,700 *l.*

181,700 *l.* The details of this are shown in the difference columns of the statement, but they may be grouped as follows:—

	Better.	Worse.	
	£.	£.	
Decrease of Imperial Revenue	-	63,400	Total Worse, 181,700 *l.*
Increase of Imperial Expenditure	-	118,300	
Increase of Provincial Revenue	336,400	—	
Increase of Provincial Expenditure	-	336,400	
Alteration of Provincial Adjustment	-		

The last two entries necessarily counterbalance, as an improvement or deterioration in the provincial accounts merely increases or diminishes the estimate of the provincial balances left at their credit at the end of the year.

12. The minuter details of the four amounts last stated will be seen from the following statement, the Imperial columns being those with which we are immediately concerned. Explanations regarding the more important differences will be found at a later page:—

Revised Estimate, 1886–87, compared with Budget Estimate, 1886–87.

	Revenue.		Expenditure.	
	Imperial. Increase + Decrease —.	Provincial and Local. Increase + Decrease —.	Imperial. Increase + Decrease —.	Provincial and Local. Increase + Decrease —.
Revenue Heads:	£.	£.	£.	£.
Land Revenue	— 290,200	+ 140,400	— 74,300	+ 500
Opium	— 328,700	- -	+ 134,000	—
Salt	+ 150,400	— 4,300	— 7,300	— 6,300
Stamps	+ 10,400	+ 16,300	— 2,000	+ 4,360
Excise	+ 63,300	+ 67,500	+ 5,700	+ 5,800
Other Heads	— 132,700	+ 48,200	— 13,000	+ 69,900
Interest	— 6,200	+ 1,400	— 32,700	— 200
Post Office, Telegraph, and Mint	+ 62,500	— 1,200	— 38,100	— 2,500
Civil Departments	+ 8,400	+ 11,100	+ 356,700	— 102,000
Miscellaneous	+ 45,800	+ 11,600	— 106,600	— 10,100
Famine Relief	- -	- -	— 1,049,000	— 400
Construction of Railways	- -	- -	- -	+ 78,700
Railway Revenue Account	+ 247,500	+ 44,400	— 185,100	— 30,300
Irrigation	— 20,900	— 5,900	+ 34,700	+ 9,100
Buildings and Roads	+ 2,300	+ 6,900	— 46,000	— 77,300
Army Services	+ 45,700	- -	+ 780,300	—
Provincial Adjustments	- -	- -	- -	+ 398,100
English Account, Sterling	+ 52,700	- -	— 139,900	—
„ „ Exchange (at 1-5½)	+ 26,300	- -	+ 500,900	—
TOTAL £.	— 63,400	+ 336,400	+ 118,300	+ 336,400

13. It

13. It is explained in the course of this Statement that the Government had before it, in connection both with the year 1886-87 and 1887-88, the alternatives of deficit, fresh taxation, or temporarily withholding of the grant from Revenue to railways, and reduction of debt, under the head of Famine Insurance. For reasons which will be presently given, the latter step having been determined upon, the sum of 1,049,400 *l.* thereby made available to meet other expenditure has obviated deficit. Explanation will be given hereafter of the main items of difference between the Budget and the Revised Estimates of the year 1886-87; but these remarks will sufficiently show what were the chief causes of unforeseen disturbance, and what is the character of the measures by the aid of which it has been decided to cope with them.

Temporary suspension of Famine Insurance Railway Grant.

14. The Estimates for the ensuing year, in which again equilibrium has been obtained by means of the surplus revenues otherwise assignable to the Famine Insurance Grant, are:—

Results of Budget Estimates, 1887-88.

	£.
Revenue	77,460,200
Expenditure	77,443,500
Surplus £.	16,700

15. Compared with the Revised Estimates of the present year the receipts are 1,388,500 *l.* and the expenditure 1,372,300 *l.* in excess. If we take the Estimates in detail, the main items of increase of revenue under the several heads, such as Railways, are balanced by corresponding increase of expenditure. In the same way the increase in the revenues in Upper Burma nearly meets the increase of expenditure on account of the combined military and civil expenditure in that province. The net charge in the Estimates of 1887-88 under this head amounts to 1,770,500 *l.* distributed over charges in respect of Collection, Law and Justice, Police, Marine, Civil and Military Works, and Army, as against 1,741,400 *l.* in the Revised Estimates of 1886-87. The excess of expenditure over revenue on account of Upper Burma in the Estimates of 1887-88 will be seen from the following figures:—

Excess Expenditure, Upper Burma.

Upper Burma Receipts:	£.	Upper Burma Expenditure:	£.
Revenue Heads	551,600	Police	737,000
Public Works Receipts	2,100	Other Civil Charges	321,200
		Irrigation Works	24,000
		Civil Works	156,000
		Military Works	300,000
		Extra Army Charges	720,000
		Marine - ditto	66,000
£.	553,700	£.	2,324,200
(Revised Estimate, 1886-87, £. 297,400.)		(Revised Estimate, 1886-87, £. 2,038,800.)	

16. An additional charge of 344,984 *l.* is included in the Estimates of 1887-88 under Army, being the sum provided to meet increased expenditure consequent on the prosecution of the measures for increasing the strength of the army determined on in 1885. The total estimate under Army is, however, only 126,400 *l.* in excess of last year, owing to a diminution in the military charges for Upper Burma in 1887-88, as compared with the present year. After deducting the contribution of 400,000 *l.* last year, there is a further net gain of 90,000 *l.* under various heads in connection with the revision of the Provincial Contracts. Minor items of increase in receipts or decrease in expenditure bring about the balance of the Budget which is shown on the Estimates; as will be seen from the statement below.

Army.

Gain on Provincial Contracts.

 17. The

Comparison of Budget Estimates of 1887-88 with Revised Estimates of 1886-87.

17. The Budget Estimates for 1887-88 work out to a surplus of 16,700 *l.*, or 16,200 *l.* more than the Revised Estimates of 1886-87. The detail of this is as follows :—

	Increase.	Decrease.	
	£.	£.	
Imperial Revenue	967,500	—	£. 16,200 Better.
„ Expenditure	—	951,300	
Provincial Revenue	421,000	—	
„ Expenditure	—	421,000	
„ Adjustment			

The details of these increases and decreases are shown in the annexed statement :—

Budget Estimate, 1887-88, compared with Revised Estimate, 1886-87.

	Revenue.		Expenditure.	
	Imperial. Increase + Decrease —.	Provincial and Local. Increase + Decrease —.	Imperial. Increase + Decrease —.	Provincial and Local. Increase + Decrease —.
Revenue Heads:	£.	£.	£.	£.
Land Revenue	+ 191,400	+ 135,700	— 73,100	+ 226,700
Opium	— 5,600	—	— 278,400	—
Salt	+ 72,800	— 6,800	+ 79,000	— 93,000
Stamps	— 809,300	+ 804,400	— 27,900	+ 26,500
Excise	+ 931,100	— 971,300	+ 28,000	— 26,700
Other Heads	— 58,300	+ 178,900	+ 23,300	— 49,000
Interest	+ 47,600	— 900	+ 59,200	— 100
Post Office, Telegraph, and Mint	+ 51,200	+ 800	+ 78,600	+ 2,900
Civil Departments	— 15,000	— 14,500	+ 260,400	+ 147,600
Miscellaneous	+ 359,100	— 5,700	+ 6,700	+ 21,100
Famine Relief	—	—	— 218,800	+ 1,400
Construction of Railways	—	—	—	— 112,900
Railway Revenue Account	+ 342,900	+ 282,700	+ 492,200	+ 182,600
Irrigation	+ 75,500	+ 17,700	— 279,500	+ 326,500
Buildings and Roads	— 152,200	—	+ 262,400	— 49,300
Army Services	+ 11,300	—	— 58,700	—
Provincial Adjustments	—	—	—	— 162,900
English Account, Sterling	— 54,800	—	+ 435,900	—
„ „ Exchange (at 1-5½)	— 20,200	—	+ 162,000	—
Total £.	+ 967,500	+ 421,000	+ 951,300	+ 421,000

18. On

18. On the revenue side the Land Revenue is, on the whole, better by 327,100 *l.*; mainly in Upper Burma, 209,900 *l.*, and Bombay, 134,100 *l.* Salt, which is almost entirely an Imperial revenue, is estimated to give six or seven lakhs better returns, part of which is in Madras, and part in Upper India, where the opening of the Jhelum Bridge will improve the sales of Punjab mine salt. Both Stamps and Excise are estimated a little lower than the figures of the Revised Estimate of 1886-87; but a quarter of the revenue passes in the new Provincial Contract from Imperial to Provincial in the first case, and from Provincial to Imperial in the second. The figures against other heads are affected by a similar transfer, but there is a net gain of 120,600 *l.*, of which part is under Assessed Taxes, and part is a payment of arrears under Tributes. Under Miscellaneous in the Imperial column there is an increase of 359,100 *l.*, entirely due to the entry against Exchange. It represents for the most part the gain to the Government by its contracts with railway companies, in accordance with which they make their remittances to this country at a rate which involves the payment to them in India of amounts smaller than those which, at the exchange equivalent at present rates, would have to be paid. There is a similar large receipt in the Accounts of 1886-87, but it is there counterbalanced by the exchange charge borne by Government in remitting money to pay off 1,128,800 *l.* of the Stock Receipt Loan of 22nd April 1854. In the Railway Revenue Account the total improvement is 625,600 *l.*, which is mostly in the revenue of State railways, as the returns of guaranteed railways are not estimated so high as those of 1886-87.

Remarks on financial situation and prospects.

19. Before entering into further examination of the measures proposed in 1887-88, in connection with the Budget, we may make a brief estimate of the present position and prospects of the finances, viewed, so far as at present we can see them, as a whole. It will be seen, from the General Statement at page 52, that the Indian revenues have increased from 74,464,197 *l.* in the Accounts of 1885-86 to 77,460,200 *l.* in the Estimates of 1887-88, or, in round figures, by 3,000,000 *l.* Of this we may say that 1,680,000 *l.* are due to what are known as the "Principal heads of Revenue," in which are included 553,700 *l.* on account of the estimated revenue of Upper Burma, and 902,966 *l.* on account of assessed taxes; while 1,200,000 *l.* arise from increased railway receipts, and 100,000 *l.* from Irrigation, a total of 2,980,000 *l.*, or, in round numbers, three millions. The year 1885-86 was a year of abnormal expenditure, and is therefore somewhat inconvenient for purposes of comparison on this side of the account. The expenditure, however, in that year is shown at 77,265,923 *l.*, the estimated expenditure of 1887-88 being 77,443,500 *l.* Eliminating, in 1885-86, 3,050,000 *l.* on account of the net extraordinary expenditure connected with military preparations, and deducting similarly 1,770,000 *l.* in 1887-88, being the net excess of expenditure in Upper Burma, we have, in 1885-86, an expenditure of 74,215,923 *l.* against 75,673,500 *l.* in 1887-88; an excess of 1,457,577 *l.* in the latter year, to which must be added 1,406,000 *l.* on account of the Famine Insurance Grant, which has not been charged against revenue in the Estimates of 1887-88. The net increased expenditure in the latter year, as compared with 1885-86, will then be 2,863,577 *l.* The chief items contributing to this are, (*a*) excess expenditure (largely composed of the increased charge for interest) on the Railway Revenue Account, the figures of which, excluding exchange, are for 1885-86, 12,820,911 *l.*, and for 1887-88, 14,490,300 *l.*, a difference of 1,669,389 *l.* (these charges are abnormally high in 1887-88), (*b*) exchange (1,104,912 *l.*), and (*c*) charges arising from the increase to the strength of the army. Against the 3,000,000 *l.* increased receipts we thus have 2,863,577 *l.* net increase shown above, *plus* 1,770,000 *l.* extraordinary charges, or 4,633,577 *l.*, the difference, roughly speaking, being the amount which we have met by the transfer of the charges under Railway Famine Insurance to Loan.

20. The net addition since 1885-86 to Imperial revenues, as distinguished from Provincial, may be put, in round numbers, at 880,000 *l.* on account of Income Tax, and 640,000 *l.* by the revision of the Provincial Contracts, or 1,520,000 *l.* We are engaged in examining further projects of retrenchment, though we shall not, for some time to come, be able to say what will be the amount of our further economies. On the other hand, we shall have brought upon our Estimates before long the total addition to military charges consequent on the

increase to our forces. We may expect that this will be more than provided for by the additions to revenue just indicated. We may also consider that, with the exercise of prudence, the growing receipts of our railways will about equal the future increase of expenditure on railways debitable to revenues, including interest on debt incurred for construction of State railways and payment of surplus profits on guaranteed railways. To the growth of other heads of receipt we may look for an equivalent to the interest charges on account of such capital outlay as that for defence works. Apart from war or famine there remains, so to speak, uncovered, the future growth of expenditure connected with exchange, a source of gravest anxiety, regarding which I have no desire to modify the remarks recorded last year. This item has increased from 4,411,437 *l.* in the Accounts of 1885-86 to 5,500,500 *l.* in the Estimates for the year 1887-88. It is impossible to foresee what will be the future increase; but it may be said that, so far as an unfavourable exchange is due to larger drawings by the Secretary of State, owing to increased purchases of material for railway construction, the ratio of increase will be lessened in proportion as the railways now in course of active construction by the State approach completion. It must also be remembered that the net surplus of railway receipts will become more considerable, on the one hand, as the lines now in course of construction are opened, and as capital at present unproductive yields returns, and on the other hand, as the expenditure remaining on account of construction diminishes. In both these directions some set-off may be looked for against increasing charges on account of exchange. The excess military expenditure on account of Upper Burma will disappear, it may be hoped, in next year's Estimates. But the civil expenditure will probably, for the next two or three years, be in excess of the revenues of that province, and so long as this proves to be the case it must continue to be of the nature of an extraordinary charge, for which some special provision such as that of this year may have to be made. Apart from the question of silver, there would seem, therefore, to be no grounds for anxiety greater than those here indicated. Much caution is needed for the present, because we cannot look forward to relief through the immediate increase of our net receipts in any material degree from the opening of new railways, or the slackening of construction; and because, in proportion as we utilise our surplus revenues for administrative needs, we draw upon resources which form the first reserve in the event of an outbreak of famine. But (excepting silver) among the elements of calculation which I have enumerated there are as many favourable to increase of revenue as to growth of expenditure; and it may be added that, while the latter, such as we know them to be, will gradually, from the nature of the case, become less onerous, the former are expansive and elastic. It may be added in this connection that 53,343,790 *l.* India 4 per cent. sterling stock are redeemable in 1888, and that on the redemption of this stock some relief to the finances may be expected.

Necessity of explanation regarding course pursued in respect of Provincial Contracts and Famine Insurance Grant.

21. I now go on to explain the considerations by which the Government has been guided in dealing with the revision of the Provincial Contracts and the Famine Insurance Grant, measures which occupy a prominent place in connection with the Budget of 1887-88, and in regard to which its policy will be fully stated. The decision taken in regard to these two heads has largely contributed to bring about the balance between receipts and expenditure. The former has added to the Imperial revenues a sum of about 550,000 *l.* annually for the next five years; the latter, though a measure temporary in character, has decreased the charges against revenue by the sum of 1,248,000 *l.* I hope not to be tedious if I examine at some length the character of the financial relations established between the Government of India and the Local Governments by the successive arrangements which have been concluded since 1870, as well as the nature of the obligations imposed upon the Government under the present form of the Famine Insurance scheme. It is necessary to do this in order to explain why the Government has felt free to avail itself of the resources existing in either of these directions. It was inevitable that, on the expiry of the five years' term of the late contracts, at a time when the finances of the Government of India are subjected to excessive strain, the assignments made to Provincial Governments for a fresh term of years to enable them to meet the charges of provincial administration should be reviewed with special regard to economy. The result of the arrangements concluded between the Provincial Governments

and

and the Government of India has been to reduce the Provincial revenues at the time existing; and the circumstances in which reductions have been made, no less than the system under which they have been made, may have been temporarily lost sight of. In a Resolution published in the "Government Gazette" of 28th January 1887, the Government of India has already stated, in general terms, the principles by which it was guided in the arrangements recently concluded with Provincial Governments. I shall have occasion to return presently to that Resolution; but my object at present is to recall the past history of the measures which have been the outcome of what is known as the policy of decentralisation, and to prove that our procedure in the late revisions has been identical with the procedure laid down in past times. I believe that, if we had dealt with the question in any manner other than that in which we have disposed of it, we should have made ourselves justly liable to the charge of introducing elements into the policy destructive to its stability, and inconsistent with the security of the finances of the Government of India, which are the only serious guarantee for the independence of provincial finance.

Proposed review of past measures in connection with provincial finance.

22. I shall, in the first place, recall the fact that in 1870 it was as much the aim of the Government of India to strengthen its own finances as to improve the relations existing in financial matters between itself and Provincial Governments. To that end, I shall explain, the Government of India not only required Provincial Governments to make good from their own resources the balance between the expenditure allotted to them and the funds assigned to meet this expenditure, but, at a later date, when the matter had passed into a further state, it reserved to itself, with certain exceptions, all increase of revenue accruing during the term of what are known as the "Contracts." It will be then shown that the Government of India has refused to recognise any claim against it to furnish funds except those allotted simultaneously with given heads of expenditure to meet the further growth of expenditure, in the branches of administration assigned to Local Governments; and that, on the contrary, it has repeatedly referred to its discharge from all obligations under this head as one of the principal objects which it has had in view. While the Government of India has left to Local Governments the use of their share in the increase, during the contract term, of the revenues assigned, it will be explained that it has, in specific terms, and on successive occasions, in 1882, as in previous years, laid down and acted upon its claim to review and revise its share in the common revenues when the term of contract expired. It has been compelled again, on the present occasion, to act in accordance with this last reserve; because, important though they unquestionably are, the interests of the Local Governments in matters of finance are second to those of the Supreme Government, upon which rests the sole responsibility for the maintenance of the financial credit of India. The only question, therefore, which can arise out of the measures recently taken in connection with provincial finance is in connection with the extent to which the Government of India has used its powers. On this point the necessary information will be given, and the resources left at the disposal of Provincial Governments will be stated.

Object of the following remarks stated.

23. I propose to show that the following four positions, in pursuance of which we conducted the late revisions, have in past years been established in the course of the arrangements connected with the Provincial Contracts. They are as follows:—

Enumeration of four positions established in past years in connection with provincial finance.

First: That the amount of the funds assigned to Provincial Governments need not exceed, or equal, the amount of the expenditure assigned at the time when the contracts are made; Provincial Governments being expected to provide by their own resources the difference between the assigned revenue and expenditure.

Second: That the growth of provincial expenditure during the term of a contract must be met from growth of provincial revenue; except in cases where considerable expenditure is undertaken by Local Governments to meet the wishes of the Government of India, and to carry into execution projects which are pressed upon it by that Government.

Third: That the Imperial Government reserves its claim, at the expiry of

of a term of contract, to such share as the circumstances of the time may make necessary in the increase of revenues which have accrued to the province during the term of the contract, but which were reserved to the Provincial Government during such term.

Fourth: That the power of enforcing reduction, on the occasion of a new contract, of the assignments of revenue made at the previous contract, is a condition implied in the system of provincial contracts, and has been uniformly acted on.

24. The orders in accordance with which these four several conditions have been laid down more or less overlap one another in point of time, and it is not very easy precisely to separate the circumstances in which each was determined. But they may be grouped more or less exactly round the successive arrangements of 1870, 1877, and 1882, and it is in that order that I will take them. I begin with 1870. The Resolution of 14th December 1870, which was the first embodiment of the views and intentions of the Government of India on this subject, commenced by declaring that it was desirable to enlarge the powers and responsibilities of the Governments of Presidencies and Provinces, in respect to the public expenditure in some of the Civil Departments. It developed the reasons which had led the Government of Lord Mayo to that decision; and in paragraph 8 it indicated the liability to which, under its provisions, Provincial Governments would be required to subscribe in order to obtain the enlargement of powers and responsibility which it was the object of the Government of India to assure to them:—

Measures of 1870 in regard to the first of the above four positions.

"It would have been satisfactory had his Excellency in Council been able to propose the enlargement of the power and responsibility of the Local Governments, without charging upon local resources any part of the existing Imperial expenditure. This cannot be done; but it has been determined to make as small a demand upon these resources as possible. At the same time, it should be remembered that the relief of the Imperial finances has been a principal object in the discussion of such measures on former occasions."

Resolution of 14th December 1870.

That paragraph shows the important reserve as to the relief of the Imperial finances with which, at its inception, the system of decentralisation was accompanied. The grants assigned, with certain branches of expenditure, to the several Local Governments were less than the grants made in the previous year for the same services; the balance was to be found, whether by economy or by local taxation, by Local Governments themselves. It was declared to be impossible to introduce the system without making an initial demand on the resources of Local Governments, though it was desired that the demand should be as small as possible. The amount by which the expenditure of the several branches of the administration assigned exceeded the revenues allotted to meet it was 330,800 *l.*, or 6 per cent. on the whole arrangement. It was expected that the Local Governments would furnish themselves, not only with this sum, but, which is of no less importance, with all further sums necessary to meet the growth of expenditure in the departments assigned to them. In the course of his Financial Statement for 1871-72 Sir R. Temple wrote:—

Reserves established therein, and reductions made in funds assigned for expenditure.

Sir R. Temple.

"The Local Governments are to have a fixed annual allotment from the General Exchequer for these particular services, and are to appropriate as local income all receipts connected therewith. They are to regulate (subject to certain general rules) all the expenditure on those services. If the existing income, namely, Imperial allotment *plus* departmental receipts, shall suffice for the requirements of that expenditure, then that is well; if it shall not suffice, then the Local Governments are not to apply to the Government of India for increased grants. They must raise what they need by local taxation, or by such like means (subject to our central control), if they fairly can. But, if they find that they cannot fairly manage this, then they must necessarily do without the increased expenditure. However much the necessity for doing without the increase may be regretted, there is no help for it. This is the only way of following the good old rule of cutting coat according to cloth. However important progress and improvement may be, financial safety is more important still.

* * * * * * * * * * *

"These allotments have been fixed on the basis of the Budget Grants for 1870-71 (after the deduction of the 331,038 *l.* rateably distributed). The objections which might be urged in detail against this mode of fixing the allotments have not, indeed, been overlooked. But certainly any other method that could be devised would have stirred up controversies and difficulties which might never be determined, and which would have caused an indefinite postponement of the whole measure.

"If

"If it were urged, too, that the Grants for 1870-71, having been very economically fixed, afford too low a standard for future Allotments, we should reply that these Grants were really as much as we could possibly afford; and that we are not likely to be able to afford more for some time to come.

* * * * * * * *

"How the several Local Governments will deal with their respective shares in the retrenchment of 331,038 *l.* from the Grants of 1871-72, and how they will provide whatever additional sums may be required for the finance of the services now entrusted to them, is more than I can say at present. It is, however, clear that they have, to some extent, already made up, or are making up, their quotas of the retrenchment by savings and reductions of expenditure; a method, in my opinion, the most satisfactory of all."

Lord Mayo, on the 18th March 1871, said:—

Lord Mayo.

"Then under the *eight* Heads it is proposed to entrust administration, under a few general conditions, to Provincial Governments, and that a fixed contribution will be made from Imperial Revenue every year. I shall have something to say, hereafter, as to the amount of that contribution. It is intended by the Supreme Government (and I think that there should be no doubt on this point) that that sum should for some time, at all events, be a fixed sum. It is impossible to prophesy or say at present what can be done in the far future; but I should be misleading the Local Governments if I were not to say that it is our opinion that these sums are now fixed at an amount which cannot be exceeded for, at least, a number of years. I think it desirable that this should be perfectly understood, because one of our objects is the attainment of as great an amount of financial certainty as is possible. We believe that, in justice to other public claims which are certain hereafter to be made on Imperial Revenue, in view of increased charges for the payment of Interest and other objects, we cannot without recourse to large additional Imperial Taxation increase this sum as now fixed to any very considerable amount. We know that, if it is necessary, the sums which have been hitherto allotted for this purpose can be increased by Local Taxation in a manner much less burdensome and much less offensive to the people than they could be by Imperial Taxation. If it is necessary or desirable to spend money, that money must come from some source. It is possible that the wants of the Local Governments may increase, and I daresay they will; but, if they do, we believe, after the most mature consideration, that these wants can better be supplied within the limits of the Provinces themselves, than they can be by adding to the Imperial Taxation of the Empire and the general burdens of the people."

Remarks on the above extracts.

25. It is evident from these extracts that in the minds of those who introduced the Resolution of 1870, and the policy which it embodied, the assignments of revenue to Local Governments were not to be necessarily equal to the present expenditure in the several branches of administration assigned to them. The system introduced in 1870 has been since that date developed, and on three subsequent occasions, viz., in 1877, in 1879, and in 1882, new arrangements have been entered into with Local Governments. We shall see that in 1877, when the system was developed, the practice adopted in 1870 was followed, and that on the second, as on the first occasion, Local Governments were expected to make good for themselves the excess of assigned expenditure over assigned revenue. Financial circumstances, on the latter of the three occasions referred to, viz., in 1882, enabled the Supreme Government to deal at its discretion on terms exceptionally favourable to some of the Local Governments; but it has never in any way intimated that, in the future exercise of such discretion, it would follow the precedent of 1882 rather than that of 1870. If, on the present occasion, the assignments of revenue under specific heads of expenditure have been reduced, it has been done only in the proportion in which the inquiries of the Finance Committee have shown that expenditure itself could be cut down.

Second position established in past years.

26. I pass now to the second of the four heads indicated in a preceding paragraph, viz., that the growth of provincial expenditure during the term of a contract must be met from Provincial revenue, so far as considerable expenditure is not undertaken by Local Governments to meet the wishes of the Government of India, and to carry into execution projects pressed upon them by that Government. The Government of India has at all times, as, for example, in the extracts already quoted, declined to recognise its liability for any addition to the assignments made to Provincial Governments, on the ground of the increase of provincial expenditure in the departments assigned. Not unfrequently during the recent discussions in respect of the revised contracts, there has been much misconception as to the claims of Provincial Governments for assignments

of revenue sufficient to meet, not existing expenditure only, but increases of expenditure contemplated by Local Governments during the ensuing five years of the contract. The following explanation will show that any such claims have never been on previous occasions, whether in 1870 or subsequent to 1870, in any way recognised, and that to have admitted them now would have been quite inconsistent with the spirit of the whole system.

Modifications introduced in 1877 into the system.

27. It is necessary to say here that in 1877, the next occasion on which the provincial arrangements came under consideration, an important advance was made in the system of decentralization. The advance was in two directions; *firstly*, some additional heads of expenditure were transferred; and, *secondly*, some heads of receipt were made wholly or partially provincial, the amount of which took the place of a portion of the fixed assignment of 1870. Before discussing the latter, which was the more important, I will notice the advance made in the way of transferring additional heads of expenditure, an extension of the system which was carried out in precisely the same direction and on the same lines as the measure of 1870, which has been above dealt with.

Reductions made in funds assigned for expenditure in 1877.

28. In calculating the amounts for the several heads of the expenditure then for the first time made provincial, the figures were taken as nearly as possible at what were believed at the time to be the normal amounts. But from the total of the expenditure under the new heads then for the first time transferred a retrenchment of about 5 per cent. was made. In the case of the North-Western Provinces the amount of this retrenchment was 3,54,000 rupees; in other words, the Local Government was expected to undertake the management of the new expenditure with an initial grant about 3½ lakhs less than the Imperial grants hitherto assigned for the services. The difference in the assigned departments between the total expenditure after this reduction and the Provincial receipts was to be the net Imperial assignment to the Provincial Government, which was to make good, by such methods as it thought fit, the deduction of 5 per cent. above indicated. In Oudh the retrenchment for the newly transferred services was also at 5 per cent., amounting to 73,000 rupees. In Bengal the 5 per cent. retrenchment was similarly made, amounting to 5,90,000 rupees. Sir John Strachey, in his Financial Statement of March 1877, thus described the result of the arrangements made with the North-Western Provinces, Oudh, and Bengal:—

"Altogether the immediate saving to the Imperial Treasury by the arrangements entered into with Bengal, the North-Western Provinces, and Oudh, is 101,780 *l.*, beside guarantee of normal increments to the transferred revenues amounting to 44,000 *l.* The estimates of the year are thus better by 145,700 *l.* than they otherwise would have been. I hope that, when it becomes possible to enter into similar arrangements in other Provinces, equally satisfactory results may be obtained."

In the course of the year 1877-78 similar arrangements were concluded with the Governments of the Central Provinces, Bombay, and the Punjab. The retrenchments made from the newly transferred heads were, respectively, in the case of each Province, 90,000 rupees, 73,000 rupees, and 2,41,000 rupees. Besides the direct retrenchments referred to above, the Imperial Government also benefited by the arrangement made in some Provinces for the transfer of productive public works to Provincial control, and by guarantees of increased revenue under some of the transferred heads. The total benefit to the Imperial Finances was stated to be about 400,000 *l.* in the Financial Statement for 1878-79 (para. 21):—

"The measures taken during the past year for increasing the powers and responsibilities of the Local Governments, the nature of which was described in the Financial Statement for 1877-78, will, it is believed, when they are complete, improve the financial position of the Government of India by an annual sum of nearly 400,000 *l.* No part of this improvement is due to fresh taxation. It is the result of the administrative changes and improvements to which the policy of decentralization has led. The original measures taken in 1870 by the Government of Lord Mayo had previously led to a saving of 330,000 *l.*, and this policy, which has given increased efficiency to almost every branch of the Administration, has thus added to the Imperial Revenues a sum of about 700,000 *l.* a year, without the imposition of any fresh burdens on the people. These measures of decentralization have now been more or less completely carried out in Bengal, in the North-Western Provinces and Oudh, in the Punjab, the Central Provinces, and in Bombay,

Bombay, and in all cases with the complete approval of the Local Governments. The only great province in regard to which no satisfactory arrangement has hitherto been found practicable is Madras."

29. The second and more important advance made in 1877 was, as I have said, the transfer to Provincial Governments of Revenue. In 1870, the only receipts which were made Provincial were the departmental receipts corresponding to the head of expenditure transferred. These were comparatively unimportant in amount. All the main heads of Revenue were retained as Imperial. In 1877, the Local Governments were given an interest in some of the main heads of revenue. Sir John Strachey, in his Financial Statement of 15th March 1877, said (para. 5):—

Further changes effected in 1877. Transfer of Revenue.

"The weak point in those measures (the measures of 1870) was this, that, while they transferred to the Local Governments the responsibility for meeting charges which had an undoubted tendency to increase, the income of which the Local Governments had to dispose, although not quite a fixed amount, had little room for development. The difficulty has perhaps not, hitherto, been generally felt to a serious extent, because it has been met by economy and good management: it must, however, be felt hereafter; and, for this and for still more important reasons, I have always maintained that the system of Provincial Assignments established in 1871 ought to be applied not only to expenditure but to income. What we have to do is, not to give the Local Governments fresh powers of taxation, but, on the contrary, to do all that we can to render fresh taxation unnecessary, and to give to those Governments direct inducements to improve those sources of existing revenue which depend for their productiveness on good administration.

Sir John Strachey.

"How is this better administration to be obtained? The answer seems to me simple: it can be obtained in one way only; not by any action which gentlemen of the Financial Department, or any other Department of the Supreme Government, can take while sitting hundreds or thousands of miles away in their offices in Calcutta or Simla; not by examining figures and writing circulars; but by giving to the Local Governments, which have in their hands the actual working of these great branches of the revenue, a direct, and, so to speak, a personal interest in efficient management. It may be very wrong, but it is true, and will continue to be true while human nature remains what it is, that the local authorities take little interest in looking after the financial affairs of that abstraction, the Supreme Government, compared with the interest which they take in matters which immediately affect the people whom they have to govern. When Local Governments feel that good administration of the Excise and Stamps and other branches of revenue will give to them, and not only to the Government of India, increased income and increased means of carrying out the improvements which they have at heart, then, and not till then, we shall get the good administration which we desire; and with it I am satisfied we shall obtain a stronger and more real power of control on the part of the Central Government than we can now exercise."

30. It is not necessary to dwell on the reasons which led to the adoption of the measures of 1877 further than to call attention to the safeguards to the Imperial Revenues with which the change was accompanied. In the first place, an amount, corresponding to the average at which the revenues transferred had increased in the past, was, as a rule, reserved during the currency of the contract to Imperial Revenues. In the second place, the right of the Imperial Revenues was also laid down to share during the period of the contract, in accordance with the terms thereof, in any increase over and above what was estimated to be the figure of average increase, which might be caused by the greater care in the control and management of the revenues. In the case of Bengal, the Local Government was allowed to retain during the term of the contract the whole increase, in consideration of the fact that a considerable burden was then being imposed on that Province in order to guarantee to the Imperial Revenues the interest on the capital spent on the construction of canals and railways.

Reserves with which the transfer of revenue was accompanied.

31. It will be seen, therefore, that in 1877, as in 1870, the funds assigned from the Imperial to the Provincial Governments fell short of the scale of expenditure existing at the time of transfer; and the balance had to be made good from their own resources by Provincial Governments. It will also be observed that not only was no provision made by the Imperial Government for the assignment of any further grant to meet increase of expenditure during the term of the contract, but a guarantee was taken from Provincial Governments for the payment during the term of contract to the Imperial Government of increased revenues under certain heads. For increase of expenditure over the initial scale, the Local Governments had to depend only on such improvement over and above the estimated ordinary increase in the revenues made provincial as they

Remarks on the above.

they might by good management be able to secure. In later times the Provincial Governments have been allotted a share in all increase whatever of the assigned revenues.

Fixing of definite term of Contract.

32. In addition to the two safeguards to the Imperial Revenues above-mentioned, a third was the fixing of a term for the duration of the contracts. The periods fixed for the duration of the contracts of 1877 from 1877-78 were as under:—

North-Western Provinces	Two years.
Oudh	One year.
Bengal	Five years.
Bombay	Five „
Central Provinces	Three „
Punjab	Three „

The contracts with Burma and Assam were made for five years from 1878-79. The above periods were subsequently either extended or shortened, with the consent of the Local Governments, so as to end in 31st March 1882.

Third and fourth positions established in past years.

33. All the contracts of 1877 were therefore made for definite limited periods, at the close of which the terms were to be open to revision, and in particular the division of the increase of revenue under the transferred heads between Imperial or Provincial was to be re-adjusted. This last-mentioned condition attached to the transfer of receipts to Provincial Governments brings us to the third and fourth of the four positions to which I have referred as having been established between the Government of India and Provincial Governments, viz., the claim of the former on the expiry of the contract to a share in the increased revenue enjoyed by Provincial Governments during the term of a contract, and the liability of the latter to a reduction in the amount of Revenue assigned to them under the contract preceding. In 1877 it was declared to be the intention of the Imperial Government under the Provincial system to revise the terms of a contract on conditions which would be financially less lucrative to a Local Government, if, on the expiry of the period fixed for the contract, circumstances should so require. To show that this was an essential condition attached to the Provincial system from the time when main heads of receipt were first made provincial, I quote two paragraphs from the letters embodying the contract made in 1877 with the North-Western Provinces and Bengal.

First, as to the North-Western Provinces:—

Case of the North-West Provinces, 1877.

"The conditions to be annexed to the proposed transfer to the Local Government of the Revenue from Excise, Stamps, and Law and Justice, are as follows:—These items of Revenue have, for some time past, grown satisfactorily year by year: the net Revenue in 1875-76 from these sources, throughout India, was more by 52,20,000 rupees than the corresponding net Revenue in 1870-71; the Government of India is not in a position to part with this normal growth of these Revenues. On the other hand, while it is perhaps too much to expect that these Revenues should continue, without more special attention than is now bestowed upon them, to increase at the rate of upwards of 10,00,000 rupees a year, excellent results may, doubtless, be anticipated from the added care of the Local Governments when they have a particular interest in the development of these revenues. In the North-Western Provinces, however, these revenues have grown less, and fluctuated more, than elsewhere; and the Government of India will, therefore, be satisfied if, for the next two years, the Government of the North-Western Provinces will give to the Imperial Treasury half of any net increase that may result from its management of these Revenues; the Government of India undertaking, on its part, to bear half of any deficit that may appear. At the end of two years this arrangement will be open to revision. While the Government of India is most desirous that the Local Government should share largely in any increase of revenue to which improved administration may lead, it is evidently reasonable and necessary that the Imperial Revenues should share in this increase. It must also be understood, as already stated, that the Government of India does not propose to surrender any portion of that normal growth of these revenues which might have been expected to continue if no change of system had been made." (*Government of India, No.* 852, *dated* 10*th February* 1877, *to Government, North-Western Provinces.*)

Secondly, as to Bengal:—

"The revenue from Excise, Stamps, and Law and Justice will be thus surrendered for the next five years; thereafter, the whole arrangement will be subject to revision; and the Governor General in Council must then probably claim for the Imperial Revenues a share

share of any improvement which may ensue under the management of the Local Government in excess of the stipulated annual increments belonging to the Imperial Treasury. While the Government of India is most desirous that the Local Government should benefit largely by any increase of revenue to which improved administration may lead, it is evidently reasonable and necessary that the Imperial Revenues should eventually share in such increases. But, inasmuch as a considerable burden is being now imposed upon the Province of Bengal, in order to guarantee to the Imperial Revenues the interest on the capital spent in Bengal on the construction of canals and railways, the Government of India has consented, for the present, to abstain from claiming any part of the further increase which may be expected to these revenues in consequence of the greater attention that they will now doubtless receive from the Local Government." (*Government of India, No.* 1899, *dated 29th March* 1877, *to the Government of Bengal.*)

Case of Bengal, 1877.

34. The quotations which I shall make in noticing the Contracts of 1882 will show that the principle was re-affirmed and acted on in that year; the last occasion on which, previously to the present year, the contracts have come under revision.

35. The arrangements with Burma and Assam, it may be added here, were not completed till later in March 1879. They involved a further expansion of the system. The new feature in these two contracts was that the equilibrium between the Provincial Revenue and Expenditure was secured, not by the grant of a lump assignment to make good the difference between the expenditure and revenue made Provincial, but by the grant of a share in the reserved Imperial Revenues—one-fifth of net Land Revenue in Assam, and one-sixth of Land Revenue, Forest Revenue, Rice Duty, and Salt receipts in Burma. In other respects these contracts were similar to those of 1877-78 with other Governments.

Expansion of the system in 1879 in the case of Burma and Assam.

36. We come now to 1882. The arrangements then made were embodied in Resolutions dated 30th September 1881, and 17th January 1882. The principles on which the settlement of 1881-82 was effected may be best described in the words of the Resolution of 30th September 1881:—

Proceedings of 1882.

"In the first place, it is now proposed to apply to the whole of India the principle upon which the most recent settlement, namely, that with Burma, in 1879, was framed. That principle is that, instead of giving Local Governments a fixed sum of money to make good any excess of provincialised expenditure over provincialised receipts, a certain proportion of the Imperial Revenue of each Province should be devoted to this object. Certain heads, as few in number as possible, are wholly, or with minute local exceptions only, reserved as Imperial; others are divided in proportions, for the most part equal, between Imperial and Provincial; the rest are wholly, or with minute local exceptions only, made Provincial. The balance of transfers, being against the Local Governments, is rectified for each Province by a fixed per-centage on its Land Revenue (otherwise reserved as Imperial), except in Burma, where the per-centage is extended to the Imperial rice export duty and salt revenue also. The advantage of this system over that which now generally prevails is that the Provincial Governments will be given a direct interest, not only in the provincialised revenue, but also in the most important item of Imperial revenue raised within their own Province."

37. In the contracts of 1882 the reservation of the estimated increase of receipts to Imperial was not separately continued. The reservations of the estimated increase, and of the excess over and above the increase estimated, were run together by providing in certain proportions for a division of the actual receipts between Imperial and Provincial.

38. It will be remembered that in 1881-82 the finances were considered to be in such a flourishing condition that measures were adopted having for their end the remission of large amounts at that time yielded by taxation. The sum remitted when the Budget of 1882-83 was brought forward was nearly 3,000,000 *l.* In these circumstances it was to be anticipated that the Provinces would be enabled to share in the general prosperity. The revenues assigned to them were equivalent to the expenditure, as at that time existing, and additional grants were in some cases allowed. In the Provincial Statement of 1882-83, the general result of the new contracts was summed up to the following effect:—The Imperial Government might have resumed 470,000 *l.* a year, as being in excess of what was needed to cover Provincial expenditure. Of this sum it gave back to the Provincial Governments 77,900 *l.* for improving the position of the Subordinate Civil Services, for general purposes in the Central Provinces, &c.; 20,000 *l.* to the Madras Government for Provincial Public Works; and 326,000 *l.* to the North-Western Provinces and Oudh, of

which 10,000 *l.* was for additional kanungos in Oudh, and the remainder (316,000 *l.*) was in the form of remission of taxation. It further remitted a lump sum of 360,000 *l.*, equivalent to 72,000 *l.* a year for five years, on account of the first year of the new settlements, by means of a transfer to the Provincial Accounts of Bengal (285,000 *l.*), Burma (20,000 *l.*), and the North-Western Provinces (55,000 *l.*), to be effected before the close of the current year, 1881-82. The total grants and remissions amounted to 496,000 *l.* a year. The net result was a loss to the Imperial Government of 26,000 *l.* for five years.

39. While the Imperial Government considered itself justified, in the state of its finances, as then existing, in remitting 326,000 *l.* provincial taxation in the North-Western Provinces and Oudh—taxation which had for its object the provision of wages to village accountants, a new charge which from that time the Government voluntarily transferred to its own shoulders—it was careful, both in its declarations and in its practice, to maintain its right at the end of the five years' term then commencing, to re consider in its own favour the assignments to Provincial Governments. In the following words it deliberately repeated the reserves which it had established in 1877: "It is to be distinctly understood," the Government of India wrote in its Resolution dated 17th January 1882, "that the Imperial Government reserves to itself, on the expiration of the term, the power to revise the settlement, and to withdraw from any Local Government such portion of its grant as cannot then be continued without injustice to other Provinces whose means are straitened, or limitation of Imperial undertakings which need early development. To the Local Governments such revision will afford no cause for complaint, because the inducements now offered for entering into an agreement are the freedom to administer their own resources, and to apply at will (subject to the general standing orders) any increase reaped during the period of settlement alone. On the other hand, while the Local Governments will undertake, for the term of the settlement, all ordinary fluctuations in their revenues and expenditure, and to make such increases in the latter as may be necessary on the existing basis of administration, due allowance will be made, by modification of the fixed percentage of land revenue or otherwise, for any material alterations in the nature of their income, resulting from legislation or organic change of financial system effected for Imperial reasons."

Reserves embodied in Resolution dated 17th January 1882;

40. This reserve was again laid down in addressing the Bengal Government:—

in letter to Bengal Government dated 14th January 1882;

"The Regular Estimate being thus recognised as the basis, the question as to the terms upon which the new settlement is to be effected may next be considered. The principle that a Local Government is not entitled to receive, as of right or even in equity, a continuation during a new settlement of the whole increase in its Provincialised receipts which has occurred during the preceding one, is beyond serious dispute. By the nature of the case all such settlements are provisional, and must always be so. The financial administration of India is necessarily a whole. For the sake of diminution of friction and other well-known objects which need not be specified, the Imperial Government delegates a share in this administration to Local Governments. It makes a rough calculation that a certain portion of the general income, together with the increment thereon, will suffice to meet the expenditure which it retains under its own control, and it hands the rest over to Governments, with the obligation to meet out of it certain necessary expenditure, and with leave to spend in addition, and as they please, any increment in the assigned income which they can manage to create. But it cannot bind itself to this proportion for ever, because the calculation must necessarily be a rough one, and is liable to be vitiated by unforeseen failure of resources, or growth of charges, whether in the share of financial administration which it retains or in that which it delegates. An examination of the apportionment at convenient periods, and a re-adjustment of it in any particular found necessary, are indispensable. A surrender of the right to this would be analogous in nature and effects to the Permanent Settlement of Bengal. To the Local Government such a periodical revision involves no hardship, because it has enjoyed, during the whole expired term, the freedom to administer its own resources and to apply at will any increase reaped from them, which were the inducements under which it entered into the contract." (*Secretary to Government of India, Financial Department, to Secretary to Government of Bengal, No.* 284, *dated* 14*th January* 1882.)

41. In the Financial Statement for 1882-83 Sir Evelyn Baring expressed similar views: -

and in Financial Statement, 1882-83.

"I need hardly say that, when the contracts, which are about to close, were made, the Government of India reserved to itself the right of revising them on expiry. It is, indeed,

indeed, obvious that, in view of the manifold demands on the Imperial Treasury, and the necessity for affording relief to Provinces whose means are straitened, the Government of India cannot forego all its claims on the increments of Revenue which arise from the growing wealth and prosperity of the country. We have, however, wished to approach this question in a liberal spirit, and not to make any revision which will be favourable to the Imperial at the expense of the Provincial Revenues, except in cases where this course can be adopted without embarrassing Provincial Finance or checking the growth of the material prosperity of the Province."

42. Practical effect was given to these conditions by the ruling of the Government of India that the Province of Bengal could, from the commencement of the year 1882-83, afford to relinquish to the Imperial Government its surplus of 30 lakhs of rupees per annum. An annual increment of 6 lakhs, and probably more, it was explained, would still remain to the Province; it would start, moreover, with the abnormally large balance (including the restored contribution) of 39½ lakhs of rupees. If this did not suffice for its expanding wants, the resource of local taxation remained. It was subsequently arranged that the net reduction should be 20½ lakhs; the precise figure taken is, however, unimportant; what is important to the present purpose is to show how, in 1881-82, both in the reserves which it laid down and in the effect which it at the time gave them, the Government of India re-affirmed and put into execution the principle that a Local Government is not entitled to receive as of right, or even in equity, a continuation during a new Settlement of the whole increase in its Provincialised receipts which has occurred during the preceding one." The principle was also applied in the case of the North-Western Provinces and Oudh, from which province a sum of 13 lakhs was taken.

Reductions of assignments in the case of Bengal and the North-West Provinces.

43. The above *resumé* of the arrangements entered into between the Imperial and Provincial Governments during the last 17 years will, I hope, enable us to approach the examination of the arrangements recently effected, with a clear understanding of the claims which, on the one hand, Provincial Governments may confidently put forward, and on the other of the reserves and limitations with which the Government of India, under the sense of its ultimate responsibility for the conduct of the Indian finances, has from the commencement thought it necessary to safeguard its concessions. It shows that at no time has the Government of India contemplated relaxing its control over the revenues when the period of re-settlement came round. Although it has desired, and still desires, to give every possible encouragement and liberty of action to Provincial Governments during the currency of their contracts, it has never lost sight of the fact that the revenues assigned them are the revenues of India, though alienated for a term to Provincial uses with a view to their better and more economical administration. While allowing to the Provincial Governments considerable latitude and discretion in the disposal of the revenues assigned them, while ensuring them the revenues necessary to their expenditure, a guarantee against all serious difficulties, and a substantial share in the increase of the revenues allotted them during the period of the settlements, the Government of India has never admitted that on the expiry of such period the settlements must remain undisturbed, and that no regard should be paid in recasting them to the obligations, or to the financial prospects, of one of the parties to the settlement. It may be urged that the necessity of exercising its powers of revision by the Government of India in a sense possibly favourable to itself lessens the interest of Provincial Governments in their finances, and diminishes the advantages of the present system. If this is so, it has been so since 1870; while in 1882, on the last occasion on which the contracts were renewed, the exercise of this power of revision, although less called for than at present, was made use of, and was specially cited as not lessening in any way the importance of the advantages which accrue to Local Governments from the system: "To the Local Governments such revision will afford no cause for complaint, because the inducements now offered for entering into an agreement are the freedom to administer their own resources, and to apply at will (subject to the general standing orders) any increase reaped during the period of settlement alone." In the present revision, the Government of India has proceeded upon lines fully indicated to Provincial Governments on the last occasion when the contracts were under consideration, and has exercised no powers

Resumé of preceding remarks.

other than those with which it is known and acknowledged to be provided. The circumstances of the time must decide the extent to which those powers are, on any particular occasion, used; that is a secondary matter, on which the explanation about to be given as to the details of the recent revisions will throw light. But the truth is that concessions of the nature made in 1870 can only be made subject to the conditions by which the Government of India or Local Governments are bound, from the nature of the circumstances in which they severally exist. Any arrangement inconsistent with those conditions must break down; and no arrangement is more inconsistent, because more prejudicial to that elasticity of the Indian finances which is the sheet anchor of the whole, than one which should proscribe the Government of India from modifying from time to time the proportions of the general revenues allotted to Local Governments, or reserved to its own uses.

Advantages secured to Provincial Governments have been carefully maintained.

44. As the recent revision of the provincial contracts has been carried out, on the one hand, in accordance with the reserves and conditions in force, it follows, on the other, that nothing has been done which should lessen the advantages secured by the arrangements of 1870 and following years to Provincial Governments. The freedom of provincial action within the limits of the revenues assigned; the exclusive claim of Local Governments to the enjoyment of a prescribed share in the increase of those revenues during a given term; and the absence of interference on the part of the Government of India, during the term of the contract, in the financial affairs of Local Governments; all the conditions, in other words, which have brought about the success of the system, have been maintained. The question resolves itself to a mere consideration of the adequacy of the sums assigned on the present occasion for the conduct of Provincial Administration; and on this point there could be no better guide than the conclusions arrived at, after exhaustive inquiry, by the Finance Committee, weighed as they carefully have been by the Government of India, after receiving the criticisms of the Local Governments, and adopted only after all necessary allowances have been made with respect to the points where Local Governments have shown that the views of the Finance Committee were open to correction.

Provincial minimum reserve balances.

45. There remain two subjects to be noticed before passing to a consideration of the effect of the revision of contracts which has recently been brought to a conclusion. In the Financial Statement of 1884-85 it was mentioned that Her Majesty's Secretary of State had approved the proposals of the Government of India, that, in order to guard against results of possible neglect, or of too sanguine expectations, a minimum reserve balance should be fixed for each Provincial Government or Administration. In other words, each Province or Administration was to keep to its credit a minimum sum to be drawn against in the event of pressure, such, for example, as the opening up of works in time of scarcity for the employment of public labour. The subject is thus explained in paragraph 8 of the Resolution of 17th January 1882:—

Remarks thereon in Resolution, 17th January 1882.

"The new terms on the subject of famine relief, contained in the Resolution, supersede any obligations which may have been imposed upon the Governments of the North-Western Provinces and Oudh, the Punjab, and the Central Provinces, of setting aside such amount as the Governor General in Council may direct, for the purpose of increasing the revenues available for defraying expenditure incurred, or to be incurred, for the relief and prevention of famine in their respective territories. Any amounts hitherto so set aside will hereafter be at the disposal of the local governments for ordinary provincial expenditure. Moreover, as a consequence of the new principles laid down in the Resolution of 30th September last, and of the separate provision in the Imperial Budget of a permanent annual allotment of one crore and a half of rupees for 'Famine Relief and Insurance,' the local governments, while always needing a moderate reserve, over and above the mere 'working balance,' of sufficient amount to meet scarcity and distress not indisputably amounting to severe famine or other temporary exigencies, will no longer find it necessary to accumulate a great provincial reserve fund, out of which the demands of severe famine could in future be largely met. His Excellency in Council is of opinion that, subject to the moderate reserve just referred to, the provincial resources can be best utilised by being invested to the full, from year to year, in works of a productive or protective character."

46. The total of the minimum balance for the eight Governments concerned amounted to 1,090,000 *l.*; and that amount was accordingly a deduction from the effective balance left at their disposal for the ordinary purposes of administration

tration when the contracts were made in 1882. It was admitted, when in 1883 the actual amount of the balance for each Government was fixed, that it would not be possible, in each case, that the province should at once be able to attain the minimum figure then fixed; but, where without undue sacrifice it would not at once be attained, every effort was to be made to reach it in the briefest time possible. With the exception of Burma and Bengal, the prescribed balances have been maintained, and in some cases there have formed considerable accumulations of balances, which, as will be presently shown, still exist in part to the credit of the several Governments possessed of them, and which were utilised in part by the Government of India at the opening of the present financial year, when the necessity of making continued provision for military operations in Burma and a further fall in exchange compelled it to have recourse to the powers which, in the event of necessity, had been reserved in regard to provincial revenues in 1881. This reserve is the first of the two points which I have above noted, as requiring to be dealt with before passing to the consideration of the new contracts.

Amount to be maintained.

47. In paragraph 5 of the Resolution of the Government of India of 30th September 1881, the previous and proposed arrangements are thus described:—

"Another important change which is contemplated requires somewhat fuller explanation. In the Resolution No. 3,334, dated 14th December 1870, the Imperial Government, speaking broadly, announced a policy of divesting itself of both responsibility and control within certain limits, but a reservation was made (paragraph 17) of power to modify the resources granted, in the event of 'some fiscal misfortune, such as heavy loss in the opium revenue, or national disaster, such as war or severe famine.' On two occasions already within a decade this reservation has been acted on. On the occasion of the great famine of 1876-77 in Western and Southern India, the Supreme Government necessarily came to the rescue of the local governments in meeting the enormous outlay involved; but it directed that all provincial and local resources must be exhausted before Imperial aid could be supplied. This decision was unexceptionable in the sense in which it was meant; but it may have led to developments which were not altogether intended. The second occasion on which the reservation has been acted on is that of the Afghan war. The local governments were called upon, during the years 1879-80 and 1880-81, to contribute 670,000 *l.* from the resources made their own by the decentralisation policy, and in the Financial Statement of 1880-81 (paragraph 170) the hope was expressed that they had been able 'to afford this timely help to the general finances with little apparent difficulty.' The circumstances of the time were, without doubt, peculiar, and the strain upon the finances was undoubtedly severe. But the sudden suspension of improvements in progress, the starvation of public works, and the discouragement of care and economy by requiring a surrender of their results, could not, in themselves, be otherwise than prejudicial.

Resolution, 30th September 1881, in respect to the claims of the Government of India on the reserve balances.

"In modification, therefore, of the reservation hitherto in force, it is proposed to declare, on the one hand, that the local governments must look for no special aid from the Imperial Government except in the case of severe famine (and then only within limits to which allusion will presently be made); and on the other, that the Imperial Government will make no demand on them except in the case of disaster so abnormal as to exhaust the Imperial reserves and resources, and to necessitate a suspension of the entire machinery of public improvement throughout the Empire."

48. This condition, formulated in 1882, was accepted provisionally only by Her Majesty's Secretary of State. He wrote as follows:—

"The first point to which your letter refers is the suggestion which I made regarding the assistance to be rendered by the local administrations to the Central Government in the case of an abnormal strain on its resources. Your proposal was to declare that such assistance would not be required unless the Imperial reserves should be exhausted, and suspension of the entire machinery of public improvement throughout the Empire were rendered necessary. As I thought it not desirable that your Government should have to prove the existence of such a state of affairs before requiring the assistance of the local administrations, I suggested that it would be sufficient to undertake not to call on them to surrender a portion of their revenues, unless you saw no other alternative than the imposition of taxes which were not considered expedient. To this your Excellency replies that my despatch reached you too late to admit of your proposing such a condition pending the preliminary negotiations; and you inquire whether I still desire it to be promulgated, observing that you consider it highly inexpedient, save where absolutely unavoidable, to change any of the conditions on which the contracts with the local governments were concluded.

Criticisms of the Secretary of State, 1882.

"You express an opinion that, though theoretically open to the objection taken to it, the original condition is not, in practice, likely to cause inconvenience; and I am willing, accordingly, to waive the question for the present, though I should desire to have it borne

in mind when the time arrives for the next revision of the contracts, and that an explanation of this view should be given to the Provincial Governments."

Desire of Secretary of State in 1886 for modification of existing stipulations on the point.

49. At a later date, writing on 29th July 1886, the Secretary of State again drew attention to the subject, and expressed a hope that, in the new arrangements which were to be made in 1887 with the Local Governments, some means would be devised by which, in the case of emergency, they might be called upon to contribute a proportionate share towards meeting the necessities of the Empire, according to some well-established principle.

50. It has been seen that the Government of India found it necessary to exercise the powers which it had reserved on previous occasions, and to avoid estimating for a deficit which threatened the Estimates of 1886-87 by utilising in part the accumulated balances of the Provinces when framing the Budget for that year. That deficit was due to the combined results of a further fall in exchange, and to military operations in Upper Burma. It did not amount to the abnormal disaster contemplated in 1882; but if, on the other hand, a call on Provincial balances was not necessary to avoid the necessity of taxation, that was not because taxation was not needed to produce equilibrium, but because, for reasons with which I am not now concerned, it would not have been expedient to impose the amount of taxation necessary to provide against deficit. The Government of India therefore, in the presence of the reserves with which the Secretary of State had agreed to the formula of 1882, considered itself justified in calling on Provincial Governments for some assistance in presence of the difficulties which threatened it in 1886. The action then taken by this Government was approved by the Secretary of State; but in expressing his concurrence he, for the second time, drew attention in the following words to the necessity of making some more satisfactory provision in the matter:—

Course pursued in 1886, in accordance with views of Secretary of State.

> "I must, however, express a hope that, in the new arrangements which will be made next year with the Local Governments, some means will be devised by which, in the case of emergency, they may be called upon to contribute a proportionate share towards meeting the necessities of the Empire, according to some established principle."

It became necessary therefore, for the Government of India to consider, in connection with the revision of the contracts on the present occasion, how the instructions of the Secretary of State were to be met.

51. Experience has shewn that, when the Government of India has turned to the Provincial Governments for assistance, the only means by which it has been enabled to adjust its demand has been the power of each Provincial Government to pay. One Government may have spent large balances in productive works, or in civil buildings, or in increase of establishment; another, with smaller balances at its disposal, may have allowed them to accumulate; a third may find its revenues barely equal to its current expenditure. When the pressure comes, it is from those who have balances to hand that assistance must be taken; and no arrangement can be devised which, in the contract term of five years, could equitably give relief to those who contribute, by a transfer of a share of the liability discharged by them to those who, from whatever cause, have been exempted. But the alternative to which at present recourse must be had is obviously inequitable. Whatever arrangement might be established, nothing is more to be regretted than the necessity of applying to Local Governments, during the term of the current contract, for aid from their accumulated revenues. The step is inconsistent with that sense of security during the term of the contracts which is no less essential to the success of the system than the growth of what may be termed mesne revenue. It has seemed therefore a lesser evil that large balances should not accrue than that the accumulation of large balances should expose provincial finances to claims for contributions. The Government has not modified the conditions in which it reserves to itself the right to claim assistance from Local Governments; but it has endeavoured, with the aid of the Finance Committee, to adjust more closely than has been hitherto possible the revenues assigned to the requirements of each Province; and further so to rearrange the apportionment of the increase of revenue during the term of settlement between itself and Provincial Governments as to leave them a fair share in the increase of the revenues, but to lessen the probabilities of their being called upon for exceptional assistance.

Decision arrived at by the Government in this respect, and the grounds thereof.

52. In

52. In the new Provincial contracts, each Local Government will receive three-fourths of the increase in Stamp Revenue, and one-fourth of that in the Excise Revenue, the Government of India receiving one-fourth of the Stamp and three-fourths of the Excise Revenue, and the expenditure under the heads of Excise and Stamps will be divided between the Local Government and the Imperial Government in the same proportion in which the revenue is divided. In the case of the Land Revenue, in the four larger Governments, one-fourth of the future increase will be received by the Local Government and three-fourths by the Government of India. The shares assigned to Provincial Governments at the last contract varied somewhat; but broadly it may be said that Stamps and Excise were divided in equal proportions between the Imperial and the Local Governments; and that the Land Revenue was divided in proportions which were different in the different Provinces, and which were not fixed with reference to the necessity of securing each Province a particular share of the increase. It will be seen presently that, in the case of most of the Provincial Governments, substantial balances still exist at their credit; these balances have not been interfered with on the occasion of the present revision.

Share reserved to Provincial Governments in Stamp, Excise, and Land Revenue, in the new contracts.

53. Reference has been already made to the Resolution of 28th January 1887, here quoted, and before leaving the subject attention may be called to paragraph 15 of that Resolution, dealing, as it does, with the second of the two points spoken of in paragraph 45 as remaining to be disposed of. Exception has been taken in 1886, as, in 1881, exception had previously been taken, to the fact that sums not provided in the Provincial Estimates of a given year cannot, without the sanction of the Government of India, be expended during that year. The balances are the balances of the Local Governments, it is said; why should they not spend them when they desire to spend them? The balances, it is true, are the balances of the Local Governments. But they are balances standing at their credit upon an account in which the payments have to be carefully and with great labour adjusted to the incomings. The Government of India relieves the Local Governments entirely of all responsibility for resource operations: of all concern in finding, at the time and place where they are wanted, the actual funds for carrying on their expenditure; and it is necessary to impose upon them the condition that notice shall be given before it is demanded that these balances be produced in hard cash at any given place. At the commencement of each financial year the Government of India ascertains the requirements of each Province as entered in its Estimates; it reckons up its own requirements for the coming year, and it makes provision for ways and means accordingly. But, if a Local Government has neglected to enter in its Estimates considerable sums which, during the currency of the year, it finds that it desires to expend, it is obvious that the calculations of the Government of India, which were made on the data furnished to it in the Estimates, may be very seriously vitiated, and its ways and means may be subjected to no little derangement. All that is asked of Provincial Governments is, that they should forecast and enter their requirements in their Estimates, and this is merely requiring them to observe a well-known rule of public finance, a rule the importance of which local authorities may be led to overlook in consequence of their freedom from the responsibilities involved in providing for ways and means. All that is reserved by the Government of India is, that, in the event of Provincial Governments failing to give the intimation required, it will not undertake, as a matter of course, to find supplementary ways and means wherewith to meet, during the currency of a given year, the requirements of which it was not warned at the prescribed time.

Question as to the powers of Local Governments to dispose during the currency of a year of balances, expenditure from which has not been entered in their Estimates.

54. I pass to an examination of the results of the recent revision. It should be premised that this revision has been preceded by inquiries on the part of the Finance Committee of a far more searching nature than those which accompanied previous settlements. The Committee had time and opportunities for inquiry which were beyond the reach of the Government of India on previous occasions, and the ability and local knowledge of the members of the Finance Committee enabled them to make the fullest use of the opportunities furnished them, and to throw light upon the details of provincial administration, which, in the interests of efficient and economical government, will be of the greatest use in future. If any of the new contracts prove difficult to work, there should be no difficulty

Results of the recent revision of the Provincial Contracts.

difficulty in ascertaining where the weak point lies, and in disposing of it more summarily and effectively than was possible under former contracts.

55. The principal heads of revenue, under which increases have accrued to the Local Governments, are Land Revenue, Stamps, and Excise. The following figures compare the standard at which the Land Revenue was calculated in 1882, and the standard which it is now estimated to have reached:—

Comparative Statement of Land Revenue in 1882 and 1887.

	Amount in 1882.	Amount in 1887.	Increase.	Provincial Proportion of Assigned Revenue.	Provincial Increase.
	£.	£.	£.		£.
Central Provinces	607,300	611,800	4,500	·49	2,200
Burma	1,140,000	1,154,200	14,200	·33	4,700
Assam	387,600	423,000	35,400	·63	22,300
Bengal	3,765,000	3,825,000	60,000	·32	19,200
North-Western Provinces	5,765,000	5,797,000	32,000	·25	8,000
Punjab	2,100,000	2,180,000	80,000	·41	32,800
Madras	4,510,000	4,536,700	26,700 (a)	·29	7,750
Bombay	3,115,000	3,280,000	165,000	·60	99,000
TOTAL £.	21,389,900	21,807,700	417,800		195,950

(a) This cannot be taken as an accurate statement of the increase of Land Revenue in Madras, as the estimate 4,510,000 *l.* for 1882 includes at least 50,000 *l.* a year of arrears, of which the collection has now come to an end.

56. Under Stamps and Excise, the following figures compare the totals of the revenue of 1881–82 and of 1886–87:—

Comparative Statement of Stamps and Excise, 1882 and 1887.

	1881–82.			1886–1887.			Improvement.	
	Stamps.	Excise.	Total.	Stamps.	Excise.	Total.	Total.	Provincial Share.
	£.	£.	£.	£.	£.	£.	£.	£.
Central Provinces	113,505	185,748	299,253	140,000	250,000	390,000	91,000	45,500
Burma	78,456	218,525	296,981	93,800	221,600	315,400	18,400	9,200
Assam	62,250	195,634	257,884	77,500	223,000	300,500	42,600	21,300
Bengal	1,139,164	855,278	1,994,442	1,345,000	992,600	2,337,600	343,100	171,550
North-Western Provinces	535,570	369,114	904,684	625,000	540,000	1,165,000	260,300	130,150
Punjab	326,526	110,721	437,247	347,500	136,000	483,500	46,200	23,100
Madras	546,990	627,888	1,174,878	580,000	880,000	1,460,000	285,100	142,550
Bombay	421,536	549,839	971,375	458,000	910,500	1,368,500	397,100	198,550
TOTAL £.	3,223,997	3,112,747	6,336,744	3,666,800	4,153,700	7,820,500	1,483,800	741,900

57. Under other heads there are similar though smaller increases of revenue, of which it is not necessary to give any detail; but, of the whole increased resources of the Local Governments, a considerable amount has been appropriated during the currency of the expiring contracts to growing provincial demands, and there remained to be dealt with only the balance which, on investigation, was deemed to be not required for local needs. Leaving out of consideration the special contributions in 1886–87 from the Governments of the Central Provinces, Assam, Madras, and Bombay, the amount resumed is, in all, the annual

annual sum of 640,100 *l.*, and the following statement compares the resumption with the increase coming in under the main heads of Revenue:—

Comparative Statement of Annual Revenue, 1882-87, and effect of the recent revision on Provincial resources.

	Increase of Annual Resources under the Principal Revenue Heads, as estimated on comparison of 1882 and 1887.			Amount by which Annual Provincial Resources are reduced by Revision.
	Land Revenue.	Stamps and Excise	Total.	
	£.	£.	£.	£.
Central Provinces	2,200	45,500	47,700	15,600
Burma	4,700	9,200	13,900	—
Assam	22,300	21,300	43,600	24,600
Bengal	19,200	171,550	190,750	103,600
North-Western Provinces	8,000	130,150	138,150	100,000
Punjab	32,800	23,100	55,900	—
Madras	7,750	142,550	150,300	174,400
Bombay	99,000	198,550	297,550	221,900
TOTAL £.	195,950	741,900	937,850	640,100

Assignment of increase of annual resources between 1882 and 1887 between Imperial and Provincial Governments.

58. The figure of 174,400 *l.* resumed in the case of Madras should be reduced, for purposes of comparison, by 50,000 *l.*, which represents the resumption in the present arrangements, according to agreement between the Government of India and the Madras Government, of a special grant made to the latter for special purposes and for a limited time, some time after the first contract was concluded. Besides this, as explained in the note under the first of the two statements on the preceding page, the annual increase of the Provincial share of Land Revenue in Madras is itself much understated in the above figures. Of the total increase, therefore, it may be said that less than two-thirds have gone to the Imperial and the rest to Provincial Governments.

No resumption of Revenue in the case of Lower Burma and the Punjab.

59. It will be observed that no resumption has been made in the case of Lower Burma or of the Punjab. In the last case the revenues, for reasons which need not be dwelt upon here, but which have been pressed on the attention of the local Government, have not made the same advance as in other Provinces, and the Government of India has conceded during the term of the late contract an increase of about 30,000 *l.* to the original assignment. In Burma the contract of 1882 has not worked successfully; the expenditure soon began to overpass the limits of the revenue; and during the last three or four years the Government of India has had to supplement the provincial resources by grants of four or five lakhs a year. No new contract is made with Burma in the same sense as with other provinces, its present somewhat abnormal condition rendering it unadvisable to conclude at this time financial arrangements which will necessarily affect the administration for the next five years. The Government of India has added to the existing provincial resources of Burma a grant of four lakhs, which may be considered to represent its present condition of deficit, and another lakh out of the surplus it has obtained from the revision of the contracts of other Provinces. During the ensuing year, it is hoped that the terms of a new contract, to commence from 1888-89, may be concluded.

Amount of increase to Imperial Revenues through revision of Provincial Contracts.

60. By the revision of the Provincial Contracts, therefore, the financial position of the Government of India has been improved by 640,100 *l.*, subject to the deduction of 10,000 *l.* conceded to Burma, and also to some other reservations, which will not, however, greatly diminish the ultimate measure of the gain. Local Governments, on the other hand, will have the benefit of their allotted share in the increase of revenue during the term of the contract above the amounts estimated above, and, with some reserves, of the retrenchments of expenditure which have been suggested to them by the Finance Committee.

 61. The

61. The reservations to which, as just observed, the amount of 630,000 *l.* is subject, are as follows. First of all, the break-down of an important aqueduct in the canals of the North-Western Provinces at present diminishes the irrigation revenue of that province of about 60,000 *l.* a year, and two years more will pass before, by restoration of the aqueduct, the revenue of the provinces reaches its proper standard. For the first year of the contract therefore the Government of India has to forego 60,000 *l.*, for the second 50,000 *l.*, and for the third 10,000 *l.*, of the full demand of 630,000 *l.* To Bengal also special grants have to be made of 30,000 *l.* for the completion of the Orissa Coast Canal, and a further amount for the purchase of a new Pilot Brig. On these and other accounts therefore the gross amount of 630,000 *l.* may be said to be liable to deduction of an amount which, spread over the five years of the contract, may average 60,000 *l.* or 70,000 *l.* a year.

Deductions from the above increase.

62. The comparative statement of the results under the principal heads of Provincial expenditure which I now give will show what is the amount at which under those heads expenditure has been calculated for the purposes of the new Provincial Contracts, and what was the scale in previous years. The comparison proves that, except as regards Public Works, there has been no reduction. It is obvious that if, as cannot be questioned, a revised scale of expenditure is necessary under the new contracts, it is in Original Public Works that it may, in the first place, be sought with the least inconvenience to administration.

Comparative expenditure under certain heads, 1882–83 and 1887–88.

In Land Revenue (District administrative charges)—

1882-83.	1883-84.	1884-85.	1885-86.	1886-87. (Revised).	New Contract.
£. 2,464,946	£. 2,670,234	£. 2,688,012	£. 2,691,676	£. 2,712,400	£. 2,789,100

This last figure includes Survey charges, aggregating 110,000 *l.*, which have been transferred to Provincial Governments, and, deducting these, the scale of expenditure under the new contracts, stated for comparison with the former scale, would be 2,679,100 *l.*

Under the general administrative heads, viz., Administration, Law, Justice, Police, and Marine, the figures are as follows:—

1882-83.	1883-84.	1884-85.	1885-86.	1886-87 (Revised).	New Contract.
£. 6,232,766	£. 6,351,171	£. 6,473,199	£. 6,496,452	£. 6,578,300	£. 6,534,600

In Medical, Scientific, and Minor Departments, we have—

1882-83.	1883-84.	1884-85.	1885-86.	1886-87 (Revised).	New Contract.
£. 694,111	£. 710,485	£. 718,503	£. 724,810	£. 702,000	£. 729,400

In Education—

1882-83.	1883-84.	1884-85.	1885-86.	1886-87 (Revised).	New Contract.
£. 733,579	£. 757,997	£. 801,202	£. 795,089	£. 840,800	£. 803,600

But

But, in addition to this last grant of 803,600 *l.*, a further assignment has been made, in the case of Bombay, which enables it to increase its educational grants to Local Funds from 22,000 *l.* to 30,700 *l.*; so that the grants under the new Contract should, for purposes of comparison with former figures, be stated at 812,300 *l.*, rather than at 803,600 *l.*

The expenditure under Public Works shows considerable contemplated reduction. But, in judging of these reductions, it must be borne in mind that the first years of the late contract were those in which the refunds to Provincial Governments of the contributions made to the Government of India during the Afghan war, and the balances which had accumulated during the period of enforced economy necessitated by the continuance of that war, permitted a scale of expenditure very largely beyond what the normal annual Provincial resources could have provided. On the other hand, 1885-86 was a year of restricted expenditure, and was the commencement of the time of retrenchment in which we are likely for some time to find ourselves. For comparison, therefore, with the circumstances of the present time it gives a more appropriate standard than earlier years. The expenditure of the past five years and the assignment on which the new contract has been based are shown below; but the latter amount takes no account of the further resources available from balances which, as I shall explain, stand to the credit of the majority of the Local Governments:—

1882-83.	1883-84.	1884-85.	1885-86.	1886-87 (Revised).	New Contract.
£.	£.	£.	£.	£.	£.
2,304,798	2,131,812	2,001,168	1,708,305	1,963,900	1,604,100

Balances remaining to credit of Local Governments.

63. The following statement shows the balances of unspent revenue of past years which the various Provincial Governments will have at their credit on 1st April, 1887, and which are available for expenditure subject to the orders quoted in the Financial Statement for 1884-85, paragraph 109, requiring them not to reduce their available balances below a certain prescribed minimum:—

	Estimated Balance on 1 April 1887.	Prescribed Minimum.	Available Excess.
	£.	£.	£.
Central Provinces	162,600	80,000	82,600
Burma	-	60,000	—
Assam	60,400	50,000	10,400
Bengal	126,300	200,000	—
North-Western Provinces	330,400	200,000	130,400
Punjab	134,700	100,000	34,700
Madras	387,800	200,000	187,800
Bombay	496,800	200,000	296,800

Special grant to Central Provinces for settlement operations.

64. We have also, in connexion with these proceedings, made a supplementary contract with the Central Provinces for the conduct of its settlement operations, a new and productive kind of expenditure which we should have had to provide for in any case. The grant is 40,000 *l.* the first year, and 25,000 *l.* the last year; and averages 30,000 *l.*

Amount resumed during first year of contract.

65. The amounts resumed during the first year of the contract may therefore be taken as follows :—

	£.	£.
Total Amount		630,000
Deduct Grants, as follows :—		
To Bengal for Orissa Coast Canal	30,000	
For new Pilot Brig	10,000	
To North Western Provinces, for deficiency of Irrigation Revenue.	60,000	
To Central Provinces, for Settlement	40,000	
		140,000
Net Amount £.		490,000

66. The following statement showing an Imperial gain under Revenue heads of 215,000 *l.*, and under Expenditure heads of 395,000 *l.* (Total 610,000 *l.*) may be set forth as the general effect of the revision upon the Imperial column in the Budget Account of 1887–88; the omission of some smaller items accounts for the difference between this total and the whole amount of 630,000 *l.*

Detail of Imperial gain under Revenue and Expenditure.

	Imperial Share.	
	Increased.	Decreased.
Revenue :	£.	£.
Land Revenue	437,500	—
Stamps (share reduced from one-half to one-quarter)		810,000
Excise (share increased from one-half to three-quarters).	947,500	—
Salt Revenue of Burma Imperialised	5,000	—
Customs Revenue of Burma Imperialised	155,000	—
Assessed Taxes—divided in moieties		290,000
State Railway Gross Earnings :		
Nagpur-Chhattisgarh, Patna-Gya, Cawnpore-Achneyra — Imperialised	310,000	—
Eastern Bengal, Provincialised		540,000
Total £.	1,855,000	1,640,000
Net Gain of Imperial Revenue £.	215,000	

	Imperial Share.	
	Increased.	Decreased.
Expenditure :	£.	£.
Land Revenue, entire provincialisation of Survey and Settlement.		145,000
Salt in Bombay Imperialised	90,000	—
Customs in Bombay ditto	50,000	—
State Railways :		
Working Expenses :		
Provincialised		305,000
Imperialised	215,000	—
Interest :		
Provincialised		70,000
Imperialised	65,000	—
Irrigation Provincialised :		
Bengal		65,000
Madras		230,000
	420,000	815,000
Net gain to Imperial Account £.	395,000	

Recapitulation.

67. It has, I trust, been made clear, in the course of these pages, that in the recent settlement of the contracts the Government of India has scrupulously maintained itself within the lines laid down in 1870, 1877, and in 1882. It has exercised no powers which were not then indicated; it has claimed no concession which it then abandoned. At a time of financial difficulty, it has been compelled to use its powers with more discretion than was necessary on the last occasion; but it has not had recourse to any which at that time were not exercised. If it has apportioned the assignments of revenue to the several Provinces on the basis of past experience, and on an estimate of their immediate requirements rather than on a review of what are believed by local authorities to be the special claims or conditions or future needs of each Province, it has done so upon grounds laid down on previous occasions as being those only which the limits of its finances permit. The words of Lord Mayo and Sir John Strachey, in their speeches of 6th April 1871, and 27th July 1872, are as applicable now as they were at the time they were spoken. "Had we entered on a minute inquiry," Lord Mayo said, "as to the precise amount which should be given to each Government in proportion to their revenue and population, or in respect to the area or requirements of each Province, such an inquiry must last for a considerable time; and we were not at all convinced that, if even such an inquiry had been entered upon, the result would be more satisfactory than the basis which we adopted, viz., that of grants for the past year. These grants have ever been made on the consideration only of our power to give, and of the wants of each Province; and I believe that any more minute inquiry than that would have only led to failure." "The Empire," Sir John Strachey added, "must be treated as a whole; not as a collection of separate and semi-independent States." It was necessary that, on the present occasion, the past history of the whole question should be traced and made clear, because it may be held, in view of the measures of economy associated with the late settlements, that in some indefinite way the Government of India has, on the present occasion, entered on a retrograde policy. So far is this from being the case, that the Government has sought, and is still engaged in the effort, further to increase the number of the branches of the administration, the revenues and expenditure of which are assigned to Provincial Governments. The Government of India has dealt with the present occasion under the influence wholly of the considerations explained in the foregoing pages. One direction in which it seems possible that the system might with advantage be modified, should experience show that the new contracts work well, is in extending the term of five years, which at present prevails. It would be premature to express as yet any very positive opinion upon this point. It is one on which the experience gained during the contracts should enable definite conclusions to be formed, to which effect can be given at any time during the next five years.

Famine Insurance Grant.

68. The second measure, to which we have had recourse in order to maintain the equilibrium of our finances, has been the debiting to loan, either wholly or in part, of that portion of the expenditure incurred in the direct construction of railways, which in late years has ordinarily been charged to our revenues; and the withholding of the grant, which has been similarly assigned from revenues in reduction of the sum which it is necessary for us annually to borrow for the construction of railways. The entry under the head of Famine Insurance Grant has been greatly reduced, both in the Revised Estimates of 1886-87, and in the Budget Estimates of 1887-88; in the former it has not been necessary to devote to other expenditure the entire sum available under the head of Railways, but in the latter year (excepting the portion allotted to irrigation) the grant has been entirely absorbed.

69. It is necessary, in the first place, to show what has been effected by the operation of the funds assigned from revenues to the construction of railways and the extinction of loan. The following paragraphs are repeated from the Financial Statement for 1886-87, the figures being altered so as to be brought up to date:

"The portion of the revenue set aside to meet the cost, direct and indirect, of famine was first devoted to specific purposes, and shown separately in the accounts, in the year 1881-82. From 1881-82 to the close of the current financial year 1886-87 the aggregate

of the sums spent under Famine Relief and Insurance, comes to 7,946,928 *l.*, which has been devoted to the following objects:—

	£.
Famine Relief	114,836
Protective Railways	2,933,979
„ Irrigation	1,233,268
Reduction of Debt	3,664,845
TOTAL £.	7,946,928

"A more important question, however, than the specific allotment of the grant in recent years is the extent to which the Government has in practice succeeded in reducing the charge for debt since the policy of increasing the revenues for the purpose of meeting the cost of famine was first originated. The increase of the revenues necessarily improves the position of the finances *pro tanto*, but in judging of the general effect of the policy of Government many other considerations require to be taken into account. A deficit sooner or later increases the charge for debt, a surplus reduces it.

"The fall in exchange has tended steadily to increase the burden of the gold debt on the revenues of India; the construction of Productive Railways and Irrigation Works from Revenue practically reduces the burden of the ordinary debt. The vital question is whether the burden of the debt, to balance which great Public Works of a permanent nature cannot be shown, has increased or diminished. The publication of the accounts of past years in the new form enables us to answer this question with comparative ease.

"In 1877-78 the total interest charge on debt of all kinds stood as follows, including exchange:—

	£.
Interest on Ordinary Debt uncovered by Public Works	4,799,448
„ on Debt balanced by Capital Expenditure of a corresponding amount on Railways	703,753
„ on Debt balanced by Capital Expenditure of a corresponding amount on great Irrigation Works	621,822
TOTAL £.	6,125,023

"For 1886-87 the account is as follows:

	£.
Interest on Ordinary Debt uncovered by Public Works	3,943,600
„ on Debt balanced by Capital Expenditure of a corresponding amount on Railways	3,189,200
„ on Debt balanced by Capital Expenditure of a corresponding amount on great Irrigation Works	994,300
TOTAL £.	8,127,100

"These figures show that, notwithstanding the fact that the fall in exchange has added largely to the burden of the interest charge on the gold debt of India, the charge for debt, which is uncovered by great Public Works, has been reduced since 1877-78 by 855,848 *l.*"

70. It will in the next place be seen from the figures in the margin that since the commencement of the year 1877, when the Famine Insurance Scheme was introduced, there have been completed (apart from frontier lines, and from railways in Burmah), either by the Imperial or Local Governments directly, or through the agency of construction and working companies, 4199¼ miles of State Railway, for the most part running through provinces exposed to famine. Of this mileage, 2,924¼ are under the control of the Central Government; 1,275¼ miles have been constructed in whole or in part from Imperial funds, and made over to the control of Provincial Governments, or have been constructed by the aid of provincial balances. Besides this length actually completed, 1,354¼ are in course of active construction on behalf of the State by companies, including 361 which will be opened within a few months. The total mileage, therefore, for construction of which, in one form or another, obligations have been incurred in pursuance of the policy of protection of the country against the risk or effects of famine since 1877, is 5,554. The years in which the Famine Insurance Grant has been employed in furthering the construction of Famine railways, whether directly or indirectly, have contributed from that source the amount shown in paragraph 69, viz., 6,598,824 *l.* to the results above exhibited.

Extension of Famine Railways since 1877.

	State Railways.	31st December 1876.	31 March 1887.	Opened during the Ten Years.
	Mileage Completed:			
	(a.)—Imperial.			
Worked by State	North-Western	766¾	1,567¾	
	Eastern Bengal	159	234½	
	Wardha Coal	18½	46½	
	Bilaspur-Etawah	- -	37	
	Bengal Central*	- -	125¼	
	Total	944¼	2,011¼	1,067
Worked by Companies	East Indian	1,503¼	1,518½	
	Rajputana-Malwa	507½	1,413½	
	Sindia	- -	74¾	
	Dhond-Manmad	- -	145¾	
	Southern Mahratta	- -	673½	
	Indian-Midland	- -	42	
	Total	2,010¾	3,868	1,857¼
	(b.)—Provincial.			
Worked by State	Tirhoot	45	246	
	Northern Bengal	- -	286	
	Dacca	- -	85½	
	Assam-Behar	- -	37	
	Nagpur-Chhatisgarh	- -	149	
	Amritsar-Pathankote	- -	65	
	Cherra-Companygunj	- -	7½	
	Jorehaut	- -	31¼	
	Total	45	907½	862¼
Worked by Companies	Patna-Gya	- -	57	
	Dildarnagar-Ghazipur	- -	12	
	Bareilly-Phillibhit	- -	36	
	Cawnpore-Achnera	29	253½	
	Lucknow-Sitapur	- -	69½	
	Total	29	441¾	412¾
				4,199¼
	Mileage under Construction :—			
	(a.)—Imperial.			
State	Eastern Bengal	Will open early in 1887-88	2¼	
	Bellary-Kistna		278	
	Cuddupah-Nellore		83	
Companies	Southern Mahratta		92½	
	Indian-Midland		562¾	
	Nagpur-Bengal, excluding conversion of Nagpur-Chhatisgarh.		110	
	Bezwada to Frontier		32	1,354¼
	(b.)—Provincial.			
State	Tirhoot		27	
	Assam-Behar		118½	
	Cherra-Companygunj		8	
	Lucknow-Sitapur		40½	

* Worked by State on behalf of Company.

71. We are now in a position to approach the immediate question before us with adequate information as to the results achieved since 1877 with the aid of the Famine Insurance Grant. The decision to which we have come has, from a purely resource point of view, no importance whatever. Apart from peculiar considerations to which I will refer, it is admittedly a mere question of account. This is obvious on a moment's consideration. If, for example, in 1886-87 we maintain the contribution from our revenues towards the construction of railways, our expenditure on account of administrative requirements exceeds our receipts by 1,049,400 *l.*, and that is the deficit which we must provide from borrowed money. If, on the other hand, we omit from the charges against revenue this sum of 1,049,400 *l.* on account of railways, we have an equivalent sum available to meet administrative charges, and we have no deficit; but, in such case, we must debit an equivalent charge for construction of railways to loan. In either case it will be seen that the amount which we have to borrow is precisely the same; whether on the one hand we borrow on account of our railways, or, on the other hand, to make good

the sum of a deficit. We have had to ask ourselves therefore—Is it more expedient to enter in our accounts under the head of Famine Insurance Grant the expenditure of late years customarily so shown, and thereby to encounter the risk of exhibiting a deficit; or is it better to avoid or to lessen the amount of deficit, by debiting to loan the amounts hitherto debited to revenue under the head of Famine Insurance Grant? I do not think that, in ordinary circumstances, there could have been any hesitation in excluding grants for railway construction from charges against our revenues, when we have no surplus of revenue wherewith to meet them. But there are considerations connected in the present instance with this particular question, to which I have referred above, and which may lead some to think that in following on the present occasion the more obvious course, we are evading obligations which were formerly undertaken, and are breaking faith with the public in the matter which preceding Governments have surrounded with certain pledges and guarantees. It is necessary that I should explain why the Government has come to the decision which I have stated, and the reasons for which it believes that any other would have been inconsistent with the public interests.

Present form of the Famine Insurance Grant alone to be dealt with.

72. No useful end would be gained for our present purpose by entering into a discusssion of the views and objects with which the famine insurance scheme was originally launched in 1877. During the nine years which have elapsed, experience has thrown its light on the merits of the scheme, which has passed through various phases. A variety of explanations have been given as to the modes in which it might be considered to be effective; but our immediate business is with that form alone in which we now find it, and in which, for the last five years, it has existed. The scheme aims at present (apart from the question of funds devoted to irrigation, with which we do not propose to interfere) at providing from surplus revenues 500,000*l.* annually for the construction of what are known as famine railways, and a further annual sum of 750,000*l.* in reduction of the total sum which, under existing arrangements, we annually borrow for the completion of our famine railways. The scheme is therefore based on the assumption that we have a surplus. But a surplus cannot be used unless it exists; and if our current expenditure exceeds our revenue, the surplus is wanting. We have then before us the choice of three courses; we may impose fresh taxation or enforce retrenchments, in order to reproduce the required surplus; or we may put a stop altogether to the expenditure to which we have been devoting the surplus; or we may debit to loan the expenditure which has been met from our surplus. So far as the first of these courses is concerned, it is well known that we have used and are likely for some considerable time to be engaged in every effort of which we are capable. What we have done in regard to provincial finance has been explained in this statement. A great body of enquiry and suggestion emanating from the Finance Committee and connected with expenditure in the departments of the Government of India is before us, and will continue throughout at least the ensuing financial year to occupy our best attention. But whatever effort we may have made or may make in this direction will not produce the requisite surplus, either in 1886-87 or in 1887-88, and, if it is considered necessary to provide the revenues required for the Famine Insurance Grant, there is no way of providing them other than by increase of taxation. It is very desirable that we should have a surplus which we may employ in railway construction; but to raise fresh taxes at present in order to create a surplus, with the especial object of granting it to railway construction, is a course to which there is obviously great objection. On whatever other points difference of opinion may exist, on the expediency of increasing taxation there is probably little or no disagreement. Whatever strength, moreover, there might be in the arguments for increase of taxation may be said to disappear before the consideration that loss of the requisite surplus does not arise from circumstances inherent in or inseparable from the condition of our finances themselves. We may, on the contrary (with all necessary reserves as to the course of exchange), hope that, when the necessity ceases for making extraordinary provision for the operations in Upper Burma now on our hands, the surplus from which we desire to continue, directly or indirectly, to furnish funds in aid of railway construction will re-appear. In the circumstances inseparable from British rule in India, it will be probably admitted by all to be inexpedient to impose fresh taxation solely with the object of providing the surplus contemplated

Surplus necessary to the assignment of the grant.

Provision of surplus by taxation inexpedient, and impracticable from retrenchment.

templated by the Famine Insurance scheme, during a period of deficit which may in great measure be traced to temporary war expenditure.

73. Assuming, therefore, that neither by retrenchment nor taxation is it practically possible for us to provide the desired surplus, there is the alternative of putting a stop altogether to expenditure to which that surplus has been applied. The expenditure, it is well known, is incurred in the construction of railways, having for their primary and special object the prevention of famine, or the mitigation of the disastrous consequences both to human life and to the public revenues arising from famine. To have checked the works in progress in 1886-87 and in 1887-88, because we could not furnish the necessary sums from revenue, and must in a corresponding measure have recourse to loan, would have been to subordinate our end to our means; and in the event of our being overtaken by a fresh famine such a decision would contribute to bring about, in greater measure, the evils which we are seeking to avoid. I have shown that considerable progress has been of late years made in the construction, whether directly by Government or under guarantee, of famine railways. The necessity imposed, however, on the Government of vigorously pushing forward its scheme of frontier railways has in a measure interfered with the prosecution of famine lines; and it is the more important that the work now in course of execution on these lines should not be interrupted. There remains the third course, viz., to debit temporarily to loan, until our surplus is reassured, the expenditure which, under the head of Famine Insurance, has been met from our surplus revenues. This is the alternative which the Government, on a careful review of all the circumstances of the case, has decided to adopt. Rejecting, for the reasons above given, the two former of the courses which have been indicated, the Government has decided to debit to loan, during the years 1886-87 and 1887-88, so much of the sums which, under the ordinary operation of the Famine Insurance scheme, would be provided from revenue for purposes of railway expenditure, as it required to meet charges of administration. But it is not on that account prepared to delay the execution of the projects in which it is at this time engaged. In 1886-87 we have taken 1,049,400*l.* from the Famine Insurance Grant, and in 1887-88, 1,248,000*l.*, which amounts will practically be added to the annual borrowings otherwise necessary.

Discontinuance of railway construction to the amount furnished by the Famine Insurance Grant; why unadvisable.

Course actually adopted, and reasons for adoption thereof.

74. There is a point of view from which it has been urged that the scheme of famine insurance continues to be in force, although we have no surplus, but a deficit. If we have not, for example, the surplus sum necessary for the direct operation of the scheme, we have at least the sums which, if they no longer provide surplus, diminish *pro tanto* our deficit, and therefore the amount which at the end of the year we should require to make good from loan. It may, in accordance with this line of reasoning, be contended that, although financially considered it makes no difference what course we pursue, it would be desirable, although at the cost of a deficit, to continue to show in our accounts the customary charges under the head of Famine Insurance Grant. The revenues especially raised in a state of surplus with the object of providing for the extinction of debt are, it may be said, although we are in deficit, still operating to diminish the increase of debt; by preserving, therefore, the entry in our accounts we obviate the charge of seeking to evade our engagements. If we examine carefully, however, this way of looking at the matter, we find that we gain no practical end by maintaining the Famine Insurance Grant on the grounds indicated, other than that of being in a position to affirm that, because the Famine Insurance Grant, though not directly operative, operates indirectly in reduction of debt, it is retained in our Estimates. The question is whether, although no financial gain is to be got by so doing, it is desirable, under pain of showing deficit, to prove that we may be considered as holding to the letter of what is believed to be our engagements. There are circumstances in which a bolder and more direct course of action, although it may at first sight expose us to misapprehension, is, in the interests of the taxpayer himself, preferable; among them, for example, the circumstances in which we now find ourselves. The more we become involved in deficit, the greater becomes the pressure on us for adopting means of putting an end to it; and it seems, to say the least, doubtful whether, in the absence of any financial gain, we shall be held by the taxpayer rigorously to that method of account which may be thought most consistent

Examination of argument for maintaining the Famine Insurance Grant in the Estimates, though there is no surplus.

sistent with our engagements, if the first result of our complying with his wishes is to bring him within appreciable distance of further taxation. The conclusion of the whole matter seems to be that, when we have surplus revenues to devote to railway construction, we should so employ them; but that, when we have no surplus revenues, and do not consider it desirable to adopt measures to procure them, we have, as a matter of fact, to fall back upon loan for the construction of new railways, if we determine to proceed with them; and we show the facts more accurately by removing the charge to the debt or capital part of our accounts, than by exhibiting it as actually met out of our revenue. The aim of the Government will be to obtain again as soon as possible the necessary surplus, or so much of it as may be available, and to devote it to the purposes to which, under the Famine Insurance scheme, it is assigned.

Reasons for not adopting in 1885–86 the decision now taken.

75. The Government of India, towards the close of 1885–86, when it was evident that a considerable deficit was impending in consequence of the war preparations which had been made in the course of that year, had occasion to consider the expediency of adopting the decision which it has since thought necessary to take. But it could not foresee, when the Revised Estimates of 1885–86 were framed, that the course of events would materially add, during two succeeding years, to our expenditure. Considerations, therefore, which apply to the circumstances of the present time were of less force when considered in connection with the situation as it appeared in 1885–86. It would have been inconvenient, because it would have exposed us to misconstruction, if we had hastened, on the circumstances of a single exceptional year, to make a change in our accounts. An important element in the treatment of this question has been the greater or less period during which we might expect to be in deficit. Arrangements, therefore, which it was decided not to adopt in the presence of what seemed the temporary difficulties in 1885–86, required to be reviewed and modified, when the strain upon our finances becomes, from circumstances at that time unforeseen, more prolonged. To have left matters alone for a succession of two or three years might have led, as has been explained, to misconception as to the true nature of our financial position, and to the probability of the extent and importance of its difficulties being exaggerated.

Income tax.

76. The following figures give the results, so far as the Revised Estimates show, of the assessment of the income tax, to which I now turn:—

	1885–86.	1886–87, Budget.	1886–87, Revised.	1887–88.
	£.	£.	£.	£.
India	106	274,200	197,000	200,400
Central Provinces	23,207	38,400	38,400	40,000
Burma	—	—	—	—
Assam	5	18,000	19,000	20,000
Bengal	153,385	360,000	361,400	379,600
North Western Provinces	119,326	205,000	220,000	231,000
Punjab	37,999	90,000	93,900	99,000
Madras	43,368	130,000	123,400	126,000
Bombay	125,638	342,500	295,000	310,000
TOTAL £.	503,034	1,458,100	1,348,100	1,406,000

77. It

77. It will be seen that the receipts are 1,348,100 *l.* against an estimate of 1,458,100 *l.*, the difference being mainly due to a decision of the Secretary of State, by which income tax is assessed on the surplus profits of guaranteed railways, and not on their net earnings. The Budget Estimate for 1886-87 included 185,600 *l.* under Assessed Taxes for income tax on net earnings of guaranteed and other railways, but in the Revised Estimates 14,800 *l.* only are taken as income tax on surplus profits of guaranteed railways; the difference, 170,800 *l.*, may therefore be said to have been written off in 1886-87. As, however, the share of the Government in the income tax on the net earnings of the guaranteed and State railways is 131,980 *l.*, the loss on account of income tax, as the figures below show, is merely nominal to this extent; the real loss is merely the excess of 53,620 *l.*, the share of income tax falling upon companies, over the 14,806 *l.* which they have had to pay.

	Government.	Company.	Total.
	£.	£.	£.
East Indian	63,200	15,800	79,000
Oudh and Rohilkhand	5,000	-	5,000
Madras	8,500	-	8,500
South Indian	4,000	-	4,000
Great Indian Peninsula	23,500	23,500	47,000
Bombay, Baroda, and Central India	10,000	10,000	20,000
Rajputana-Malwa	16,000	4,000	20,000
Patna and Gya	688	172	860
Sindia	528	132	660
Ghazipur-Dildarnagar	64	16	80
Southern Mahratta	500	-	500
Total £.	131,980	53,620	185,600

78. No further particulars can be given at present as to the working of the tax, but care will be taken to obtain full reports during the ensuing year. It will be seen that in Bombay and Madras the decrease is rather considerable, but in the case of Bombay it is due to the ruling about railways above referred to. There will be some reduction next year in the expenditure on account of the working of the tax, which is shown in the Budget Estimate of 1887-88 at 19,100 *l.*, the total estimated cost being 33,600 *l.* against 52,700 *l.*

79. In the following statement are shown the net gain and loss on State and guaranteed railways from 1885-86 to 1887-88, and the expenditure on railways on State responsibility during the same period.

State and guaranteed railways.

NET GAIN and LOSS on STATE and GUARANTEED RAILWAYS from 1885-86 to 1887-88.

	Actuals, 1885-86.	Budget Estimate, 1886-87.	Revised Estimate, 1886-87.	Budget Estimate, 1887-88.
STATE RAILWAYS.	£.	£.	£.	£.
Net Revenue	5,252,756	5,489,900	5,681,400	5,729,000
Less,—				
Interest and Annuity	4,661,916	5,349,800	5,922,000	6,145,900
Surplus Profits	195,957	217,500	245,000	241,500
NET GAIN £.	394,883	—577,400	—485,600	—658,400
GUARANTEED RAILWAYS.				
Net Revenue	3,725,075	3,133,500	3,552,500	3,515,000
Less,—				
Interest and Surplus Profits	4,628,836	4,008,400	4,244,800	4,240,300
NET LOSS £.	903,761	874,900	692,300	725,300
NET LOSS TO STATE £.	508,878	1,452,300	1,177,900	1,383,700

Note.—Excludes Mysore Railway.

EXPENDITURE on RAILWAYS from 1885-86 to 1887-88 on State Responsibility.

	Actuals, 1885-86.	Revised Estimate, 1886-87.	Budget Estimate, 1887-88.
(1.) DIRECTLY EXPENDED BY GOVERNMENT:	*Rs.*	*Rs.*	*Rs.*
Expenditure on Railways not charged against Revenue	4,71,28,261	5,17,15,000	4,29,42,000
Construction of Protective Railways	50,00,000	20,00,000	*
Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	63,20,555	18,79,000	7,50,000
TOTAL *Rs.*	5,84,48,816	5,55,94,000	4,36,92,000
(2.) EXPENDITURE BY COMPANIES ON THE RESPONSIBILITY OF GOVERNMENT: †			
Guaranteed Railways	1,67,25,362	59,61,000	1,06,97,000
Southern Mahratta Railway	1,22,43,684	1,65,09,000	78,23,500
Indian Midland Railway	80,98,585	1,63,27,000	2,32,42,500
Nagpur-Bengal Railway	- -	- -	75,00,000 ‡
TOTAL *Rs.*	3,70,67,631	3,87,97,000	5,52,63,000
GRAND TOTAL *Rs.*	9,55,16,447	9,43,91,000	9,89,55,000

Note.—This statement excludes the Mysore Railway.

* The grant under this head has been suspended for 1887-88, a corresponding increase being allowed under the head, "Capital Expenditure on Railways not charged against Revenue."

† The final Estimates of expenditure in England received from the India Office give the estimated outlay in a lump sum. An approximate distribution has been made here.

‡ This is a rough estimate of the outlay likely to be incurred by the company during the year. It does not provide for the refund to the State of the outlay incurred to close of 1886-87, as it is not known on what terms the company will take over the existing line.

Sterling has been converted at the rates used in the Estimates in all the above figures.

80. The

80. The net loss of 485,600 *l.* in the Revised Estimates of 1886-87 has, in the Budget Estimate of 1887-88, increased to 658,400 *l.* on account of State railways, the net loss on guaranteed railways being slightly increased also. As long as State railways are being actively constructed, net loss must be expected; this formed the subject of remarks in the Financial Statement of last year, which it is unnecessary to repeat. It may be hoped, however, that, with the opening of fresh railways and the gradual completion of those which it is desired to construct, each year will, in future, diminish the ratio of loss.

81. The Estimates for the Army Services in India are as follows:— Army.

	Revised.	Budget.
	£.	£.
Ordinary effective - - - - -	12,047,930	12,423,697
Non-effective - - - - -	860,770	866,303
	12,908,700	13,290,000
Add Burma - - - - - -	1,160,000	720,000
£.	14,068,700	14,010,000

The total Army Estimates, including English charges and exchange, are 19,197,000 *l.*, against 19,070,600 *l.* in the Revised Estimates of 1886-87.

The Budget shows increase under the first head (effective) of 375,767 *l.*, and under the second (non-effective) of 5,533 *l.* Of this increase the sum of 344,984 *l.* is part of the 656,900 *l.* mentioned in paragraph 36 of the Financial Statement for 1886-87, as being the sum then remaining to be provided for in connection with the increase to the Army.

82. In respect to opium, there is little to be said beyond the fact that the crop this year, although apparently a good average, does not promise to be so exceptional as was the case last year, and the expenditure in India on account of opium has accordingly been reduced from 2,782,400 *l.* in the Revised Estimates to 2,504,000 *l.* in the Budget Estimate of the ensuing year. The reserve at the close of 1887 is expected to stand at 36,705 chests. The price during the ensuing year has been taken at 1,100 rupees per chest; 4,750 chests will be sold each month during 1887; the amount to be sold in the first three months of 1888 will be notified hereafter. Opium.

83. It is needless to dwell on the subject of silver. At the present time a Royal Commission is appointed to inquire into the question, and, among other matters connected therewith, into the difficulties which the uncertainty in the ratio of silver to gold causes to the Indian Government. During the course of the year the instability of exchange was forcibly illustrated. From 1 *s.* 6 *d.*, the rate taken in the Budget, it had fallen, five months later, to 1 *s.* 4¼ *d.*, since when it rose to 1 *s.* 6 *d.*, and is now below 1 *s.* 5¼ *d.* It was estimated in the Budget of 1886-87 that 4,778,000 *l.* would be the net additional charge on account of exchange. It seemed probable, shortly before the six months' Estimates were prepared, that little less than 1,750,000 *l.* would be added. The amount which has actually been charged is 5,252,600 *l.*, an increase of 474,600 *l.* The rate of exchange taken for 1887-88 is 1 *s.* 5½ *d.* Oscillations of exchange during 1886-87. Rate of exchange taken in 1887-88.

84. The following passage, from a memorandum on the loss to the Government of India from a fall in the rate of exchange, prepared last year at my request by Mr. Barbour, Secretary to the Government of India in the Financial Department, explains what would have been the direct effect upon the Estimates of 1886-87 of a fall in exchange from 1 *s.* 6 *d.* to 1 *s.* 5 *d.* It will be seen that the conclusion is that the additional burden amounts to not less than 1,11,00,783 rupees. The calculation does not in any way whatever deal with the consideration of what may or may not be held to be the direct advantage or disadvantage to the Indian revenue of a fall in exchange, but confines itself to

the direct effect upon the expenditure shown in the Estimates of a fall of from 1 *s.* 6 *d.* to 1 *s.* 5 *d.*

Direct effect on the Estimates of the fall of 1 *d.* in exchange.

"If the Government of India incurs an obligation to pay away every year a certain amount of gold, the extra number of rupees which it may have to give for this gold on any particular date, as compared with the number of rupees it would have had to give if exchange had remained the same as when the obligation was incurred, appears to me to be the true measure of the loss by exchange. The Government of India contracts an obligation to find so much gold when that amount of gold can be procured for so many rupees. The relative value of gold and silver alters, and it finds that it takes a larger number of rupees to purchase the gold. The increase in the number of rupees required to meet an obligation contracted under different circumstances is the true measure of the real loss by exchange. To ascertain the total real loss in any year from the fall in exchange, it would be necessary to deal separately with each permanent gold obligation of the Government of India, and to ascertain the additional number of rupees required to meet it, as compared with the number of rupees required for that purpose when the obligation was first contracted. A calculation of this nature would be extremely elaborate and complicated, if not impossible; but we know that the loss by exchange must be very large, as the permanent gold obligations of the Government of India are of great magnitude, and the fall in the rate of exchange has been very great.

"There is, however, no special difficulty in calculating the additional burden imposed on the finances of India by any further fall in the rate of exchange, and, if we know what the additional burden is when the rupee falls from (say) 1 *s.* 6 *d.* to 1 *s.* 5 *d.*, we shall have a sufficiently accurate means of determining the disturbing effect on Indian finance of fluctuations in the value of the rupee. For the purposes of the calculation in question it is only necessary to ascertain the total net amount of the permanent gold obligations of the Government of India on any date, and to calculate the extra number of rupees required to meet them when the rupee is worth 1 *s.* 5 *d.*, as compared with the number required when exchange is at 1 *s.* 6 *d.* As the basis of the calculation, the Estimates of the current financial year 1886–87 may conveniently be taken, but in the first instance a few remarks may be made regarding the cost of stores purchased in England. When the rate of exchange is two shillings for the rupee, the Government of India can purchase stores for fewer rupees than it has to pay when the rate of exchange is 1 *s.* 6 *d.*, provided always that the price of stores does not vary with the rate of exchange. If it be the fact that the prices of English stores vary with the rate of exchange, the lower gold price of commodities in England is *pro tanto* a compensation for the fall in exchange. We know, as a fact, that the gold prices of commodities have fallen more than exchange has fallen, and that the Government of India now obtains English stores for fewer rupees than it used to pay when the rate of exchange was two shillings for the rupee. On the hypothesis that the same cause which has produced the fall in exchange has also produced the fall in gold prices, we may balance the gain from low gold prices against the loss by low exchange, and omit from our calculation the question of loss by exchange in the case of stores.

"The gold expenditure of the Government of India is shown in the Estimates of 1886–87 at 14,512,900 *l.*, and, deducting the gold receipts (178,900 *l.*), we get a balance of 14,334,000 *l.* payable in gold. Before calculating the additional number of rupees that must be paid when a fall in the value of the rupee takes place, there should be deducted from this sum the amount payable on account of leave allowances and pensions fixed in rupees, as there is no increase to the number of rupees paid on account of them, no matter what the exchange value of the rupee may be. The cost of stores should also be deducted, if it be assumed that the fall in exchange is balanced by a fall in the gold price of stores. In some instances stores (*e.g.*, stamps) are provided under a contract extending over several years, and during the period of such contract there can be no reduction in the cost of these stores to Government. We will not, however, include loss by exchange on these stores, because it may be held that, on the assumption as to gold prices already made, there will be a reduction in the gold payments under any new contract which may hereafter be made.

"The

"The statement in the margin shows that, excluding the expenditure shown under the Railway Revenue Account, the total sum to be deducted on these two accounts is 1,636,400 *l.*, and the expenditure on which loss is incurred is thereby reduced to 12,697,600 *l.* Of this amount no less than 5,270,800 *l.* appears under the Railway Revenue Account, and the loss by exchange on it must, owing to the contract relations that exist between the Government and the different railway companies, be calculated separately. There remains the sum of 7,426,800 *l.* on which loss by exchange may be directly calculated. The loss on this amount, due to a fall in the rate of exchange from 1*s.* 6*d.* to 1*s.* 5*d.* per rupee, is 58,24,941 rupees. The loss on the Railway Revenue Account by this fall of 1 *d.* in the rupee has been separately calculated; the details are given below.* The additional cost in rupees comes to 41,39,030 rupees, or to 45,85,230 rupees if English gold prices do not fall in proportion to the fall in exchange.

STORES (excluding Stores purchased on account of the Working and Maintenance of Railways).	£.
Land Revenue	200
Opium	1,600
Stamps	51,900
Forest	100
Post Office	46,100
Telegraph	100,000
Mint	6,800
General Administration	16,100
Law and Justice	300
Marine	140,500
Political	300
Scientific and other Minor Departments	9,200
Stationery and Printing	88,300
Irrigation	2,100
Military Works	2,300
Public Works Stores	800
Army Stores	714,100
TOTAL £.	1,180,400
LEAVE ALLOWANCES and PENSIONS. (Approximate Figures.)	
Telegraph Department	7,000
Leave Allowances fixed in rupees	180,000
Superannuation Allowances and Pensions	90,000
Public Works Leave Allowances	39,000
Army Leave Allowances	140,000
TOTAL £.	456,000
GRAND TOTAL £.	1,636,400

"The pay of the European troops serving in India is fixed in sterling by Royal Warrant, but is paid in rupees, the amount of each sterling payment being converted into rupees at, approximately, the current rate of exchange. The calculation below† shows that the loss on this account due to a fall in exchange from 1 *s.* 6 *d.* to 1 *s.* 5 *d.* amounts to 11,36,812 rupees.

"There

* Taking the items first on the Expenditure side of the Budget for the year 1886–87 *seriatim*, and revising the figures in accordance with a supposed fall of 1 *d.*, the consequent loss is shown as follows:—

	Original Figures.	Revised Figures.	Loss.
State Railways, Working Expenses:	£.	£.	£.
Imperial	4,868,500	4,911,920	(*a*) 43,420
Provincial	700,600	701,800	(*a*) 1,200
State Railways, Interest:			
Imperial	2,019,400	2,022,223	(*b*) 2,823
Exchange	172,600	213,253	(*c*) 40,653
Annuities in purchase of Railways (Exchange)	575,300	710,624	135,324
Interest on Capital deposited by Companies (Exchange)	103,000	127,235	24,235
Guaranteed Companies, Surplus Profits, &c.	497,500	495,150	(*d*)—2,350
Guaranteed Companies, Interest (Exchange)	896,900	1,107,894	210,994
Subsidised Companies, Interest (Exchange)	9,100	11,324	(*e*) 2,224
	TOTAL LOSS £.		458,523

Turning to the Receipts, the only alteration is in—

XXVII.—*Guaranteed Companies' Net Traffic Receipts*, under which the figure 3,133,500 *l.* becomes 3,107,200 *l.*; loss 26,300 *l.*

The loss is due to the increased rupee price of stores issued to revenue, but, as it is calculated on the difference between the actual rate of exchange and the contract rate, and as the difference is paid into the Civil Department, the loss is nominal only.

The total loss caused by a fall of exchange of 1 *d.* below 1*s.* 6*d.* is therefore 458,523 *l.*

But of this, 44,620 *l.* under working expenses represents increased loss by exchange on English stores consumed during the year.

This loss is to a certain extent compensated by the greater purchasing value of the £. sterling.

If we may assume that prices fall sufficiently in England to cover the fall in exchange, the real loss would be reduced to 413,903 *l.*

† The pay of British soldiers in India is now issued at the rate of exchange fixed annually by Her Majesty's Government for the payment of troops serving in the colonies. For the year 1884–85 this rate of exchange was fixed at 1*s.* 8*d.* the rupee, which involved an addition of 12½ per cent. to the soldiers' pay, and an estimated increase of 18,43,000 rupees per annum to the military expenditure in India.

The rate of exchange for the conversion of the pay of British soldiers in India for 1885–86 was fixed at

(*a*) The increase represents the increased rupee value of stores issued on Revenue Account.

(*b*) The loss of 2,823 *l.* is due to the larger rupee debit to the Capital Account during the year calculated on outlay in England.

(*c*) The loss of 40,653 *l.* is due to the larger remittances to cover interest on the debentures of the East Indian Railway, the Eastern Bengal Railway, and the Sind, Punjab, and Delhi Railway.

(*d*) This gain is consequent on the increased charge to working expenses.

(*e*) This loss may eventually be recovered from the companies.

"There will also be found in the Estimates of 1886-87, under the head '31, Exchange,' an item of expenditure amounting to 13,77,000 rupees. This item represents the net result in connection with exchange transactions on account of (1) capital of guaranteed railways; (2) capital of the Southern Mahratta and Indian Midland Railways; (3) remittance on account of railway stores, and civil and military transactions; and (4) the 4 per Cent. Loan of 1854. The gain by exchange under (1) and (2) arises from the fact that capital provided in sterling by the companies concerned is brought to account in rupees at certain contract rates, instead of the actual rate of the year. The capital has also to be repaid at, practically, the contract rates, and the gain on the capital when received may be balanced against the probable loss when repaid, and the item omitted altogether from the calculation.

"The same course may be followed as regards (3). The loss or gain is mainly due to the actual rate of the year differing from the rate taken at the beginning of the year, and in a series of years we may take the loss to balance the gain. The loss under (4) is of a special nature, and arises from the fact that a loan of 1,18,81,000 rupees raised in 1854 was, under the conditions on which it was raised, repayable in England at a fixed rate of exchange. The loss by exchange on the repayment is increased by the fall in the rate of exchange that has occurred this year, but similar transactions will not recur in the future, and it might be misleading to show any loss on this account in a calculation which is intended to bring out the permanent yearly loss to the Government of India by a fall in the rate of exchange from 1 *s.* 6 *d.* to 1 *s.* 5 *d.* per rupee.

"Taking the sum of the items given in paragraphs 9 and 10, it will be seen that the additional burden imposed on the finances of India by the fall in exchange from 1 *s.* 6 *d.* to 1 *s.* 5 *d.* in the present day amounts to 1,11,00,783 rupees. If the gold price of stores should not fall, as assumed in the above calculation, a further sum of 13,72,004 rupees would have to be added to the loss by exchange. It may be mentioned that no account has been taken of any possible loss, from a fall in exchange, on the purchase of stores used on Railway Capital Account.

"A further fall in exchange from 1 *s.* 5 *d.* to 1 *s.* 4 *d.* per rupee would more than double the loss, as the loss due to a fall from 1 *s.* 5 *d.* to 1 *s.* 4 *d.* is about one-eighth more than the loss due to a fall from 1 *s.* 6 *d.* to 1 *s.* 5 *d.*"

85. Passing to Salt, we find that the consumption during the eleven months ending

---

1 *s.* 7½ *d.* the rupee. The expense thus caused [*i. e.*, by the fall of one halfpenny the rupee] amounts to 4,00,000 rupees.

The continued fall in 1886-87 to 1 *s.* 7 *d.* the rupee, being the rate fixed for the conversion of the soldiers' pay, resulted in a further increase of 5,15,000 rupees to the Military Estimates in India, a portion of which, however, is due to an increase in the establishment of British troops.

The addition made to the Military Estimates in India in consequence of falling rates of exchange has been as follows:—

YEAR.	Rate of Exchange fixed for issue of Soldiers' Pay.	Increase to Military Estimates.
	Per Rupee. s. d.	*Rupees.*
1874-75	1 10½	6,40,000
1884-85	1 8	18,43,000
1885-86	1 7½	4,00,000
1886-87	1 7	5,15,000
TOTAL - - *Rs.*		33,98,000

The rate of exchange for next year, 1887-88, is not yet known, but, judging from the present market rates of exchange, a further increase to the Military Estimates on this account must be anticipated.

The total amount to be converted into rupees in 1886-87 was 1,449,437 *l.* sterling, which, at 1 *s.* 7 *d.* per rupee, came to 1,83,08,678 rupees. At 1 *s.* 6 *d.* the total rupee payment would have come to 1,93,25,826 rupees, and at 1 *s.* 5 *d.* to 2,04,62,638 rupees.

ending with 31st January 1887 compares as follows with the corresponding figures of the previous year:—

	Consumption, 1 March 1885 to 31 January 1886.	Consumption, 1 March 1886 to 31 January 1887.	Increase+ Decrease—.
	Maunds.	*Maunds.*	*Maunds.*
Bengal	9,382,000	9,374,000	— 8,000
Northern India	4,996,000	6,213,000	+1,217,000
Bombay	6,282,000	5,878,000	— 404,000
Sind	206,000	210,000	+ 4,000
Madras	6,965,000	7,097,000	+ 132,000
TOTAL	27,831,000	28,772,000	+ 941,000

Salt. Increase in consumption in 1886-87.

The increase in the 11 months of the last four years has been—

	Maunds.
Eleven months from 1st March 1882 to 31st January 1883	1,603,000
Ditto ditto 1883-84	973,000
Ditto ditto 1884-85	693,000
Ditto ditto 1885-86	64,000
Ditto ditto 1886-87	941,000

86. The Provincial figures for the last four years are as follows:—

	1 March 1882 to 31 January 1883.	Increase+ Decrease—.	1 March 1883 to 31 January 1884.	Increase+ Decrease—.	1 March 1884 to 31 January 1885.	Increase+ Decrease—.	1 March 1885 to 31 January 1886.	Increase+ Decrease—.	1 March 1886 to 31 January 1887.	Increase+ Decrease—.
	Mds.	*Mds.*	*Mds.*	*Mds.*	*Mds.*	*Mds.*	*Mds.*	*Mds.*	*Mds.*	*Mds.*
Bengal	8,723,000	+516,000	8,850,000	+127,000	9,398,000	+548,000	9,382,000	—16,000	9,374,000	—8,000
Northern India	6,112,000	—66,000	6,459,000	+347,000	6,581,000	+122,000	4,996,000	—1,585,000	6,213,000	+1,217,000
Bombay	4,695,000	+334,000	4,789,000	+94,000	4,810,000	+21,000	6,282,000	+1,472,000	5,878,000	—404,000
Sindh	166,000	+18,000	176,000	+10,000	189,000	+13,000	206,000	+17,000	210,000	+4,000
Madras	6,405,000	+901,000	6,800,000	+395,000	6,789,000	—11,000	6,965,000	+176,000	7,097,000	+132,000
TOTAL	26,101,000	+1,603,000	27,074,000	+973,000	27,767,000	+693,000	27,831,000	+64,000	28,772,000	+941,000

87. It will be seen that the check in the consumption of salt which was pointed out in the Financial Statement last year, has proved to be, as was at the time surmised, temporary. The total increase in the period of four years from the year 1882 when the salt duty was lowered has been for the 11 months from 1st March to 31st January from 26,101,000 in 1882-83 to 28,772,000 maunds in 1886-87; an increase of 2,671,000 maunds for the 11 months, or (at 2 rupees per maund) of 53,42,000 rupees, or 534,200 *l.* conventional sterling, or, say, 583,000 *l.* for 12 months. The annual amount of Revenue abandoned when the Salt Tax was lowered was estimated; it will be remembered, at 1,400,000 *l.*

88. The net import of gold into India has continued to fall off very greatly in

1886-87, silver also showing decrease, even compared with ordinary preceding years :—

Imports of gold and silver.

Year.	Gold.		
	Imports.	Exports.	Net Imports.
	Rs.	*Rs.*	*Rs.*
1881-82	4,85,63,920	1,24,078	4,84,39,842
1882-83	5,09,51,354	16,42,639	4,93,08,715
1883-84	5,46,94,568	69,517	5,46,25,051
1884-85	4,77,81,724	10,62,359	4,67,19,365
1885-86	3,09,15,409	32,86,062	2,76,29,347
1886-87 (10 months)	1,99,48,131	63,63,771	1,35,84,360

Year.	Silver.		
	Imports.	Exports.	Net Imports.
	Rs.	*Rs.*	*Rs.*
1881-82	6,46,63,889	1,08,73,390	5,37,90,499
1882-83	8,35,80,218	87,77,949	7,48,02,269
1883-84	7,40,85,065	1,00,33,554	6,40,51,511
1884-85	9,11,00,254	1,86,43,941	7,24,56,313
1885-86	12,38,62,599	77,96,314	11,60,66,285
1886-87 (10 months)	6,27,47,044	1,01,98,011	5,25,49,033

Savings Banks.

89. On the 31st of March 1886, the number of depositors in District and Presidency Savings Banks was 80,718, with 2,471,180 *l.* at their credit. On the corresponding date of the previous year there were 95,366 depositors, the balance at whose credit was 3,058,998 *l.*, or showing a decrease on 31st March 1886 of 14,648 depositors, and 587,818 *l.* in the balance at their credit. The decrease in the number of depositors occurred as under :—

	Europeans and Eurasians.	Natives.	Total.
	No.	*No.*	*No.*
31st March 1885	20,330	75,036	95,366
31st March 1886	17,270	63,448	80,718
	3,060	11,588	14,648

and was due to the abolition, under the orders of Government,* of the District Savings Banks at the close of the year 1885-86, with a view to their absorption in the Post Office Banks. To facilitate this measure, it was arranged that from the date of the order no new accounts should be received in the District Savings Banks, and that depositors who had accounts therein should be encouraged to transfer their balances to the Post Office Banks as soon as possible. Many depositors availed themselves of this offer, and sums held in District Savings Banks were gradually made over to the Post Office Banks.

* Financial Department Resolution No. 33, dated 4 January 1886.

90. From

90. From the statement below it will be noticed that the number of accounts and the balance at credit of depositors rose from 122,599 accounts, and 1,344,200 *l.* on the 31st March 1885, to 155,009 accounts and 2,254,590 *l.* on the same date of the following year, or more by 32,410 accounts and 910,390 *l.* at their credit. The proportion in which this increase occurred among Europeans and Eurasians and Natives of the country is shown below:— Post Office Savings Banks.

	Number of Accounts.			Balance at Credit of Depositors.		
	Europeans and Eurasians.	Natives.	TOTAL.	Europeans and Eurasians.	Natives.	TOTAL.
	No.	*No.*	*No.*	£.	£.	£.
On 31st March 1885 - -	13,355	109,244	122,599	233,500	1,110,700	1,344,200
On 31st March 1886 - -	20,213	134,796	155,009	441,856	1,812,734	2,254,590
Increase - - -	6,858	25,552	32,410	208,356	702,034	910,390

The above improvement was due partly to the transfer from the District Banks, as explained previously, and to the Postal Department having begun to receive deposits at the rural Post Offices, thereby extending operations into parts of the country where heretofore the people had no facilities for investing their small earnings.

The balances in the Presidency Savings Banks have been declining for some years, in consequence probably of the greater convenience offered by the Post Office; and it has been decided that, while in the Presidency towns they may be continued, the Banks opened in the interior of Madras and Bombay should be superseded from June 1886 by those belonging to the Post Office.

The total balances in Savings Banks of all classes on the 31st March 1886 was 5,081,183 *l.*

91. The Director General of the Post Office's report on the operations of the Postal Life Insurance scheme for the year 1885-86, which is the second complete year of its existence, shows that 170 new policies were issued, representing a total assured amount of 1,91,850 rupees, as compared with 398 policies, aggregating 5,63,225 rupees, taken out during the 14 months ending with the 31st March 1885. Post Office Life Insurance.

The abstract below contrasts the progress of the scheme in the years 1884-85 and 1885-86:—

	To 31 March 1885.	To 31 March 1886.
Number of lives insured - - -	398	568
	Rs.	*Rs.*
Amount of insurance - - - -	5,63,225	7,55,075
Amount received in premia - -	14,890	39,567
Amount of claims met - - -	1,500	5,773

The statement shows that the total number of policies effected up to 31st March 1886 was 568, of the total value of 7,55,075 rupees, or an average of 1,330 rupees for each policy. Deducting lapses or policies surrendered or cancelled, the aggregate amount assured stood at 7,04,125 rupees. Of the total number of policies effected, 56 were for Europeans and Eurasians and 512 for Natives of the country. The scheme continued to make progress in the Postal Circles of Bengal, Madras, Bombay, and Assam. The number of

policies taken out in these circles during, and to the end of, the year 1885-86 is as under:—

	Bengal.	Madras.	Bombay.	Assam.
In 1885-86 - - - - - - -	40	35	36	15
To end of 1885-86 - - - -	131	108	88	58

The Table in the margin shows the distribution of policies among the principal classes of postal officials since the scheme was introduced, with the percentage of lives insured in each class. Out of a total of 38,829 employés, 568, or a little less than 1½ per cent., have availed themselves of the advantages of State Life Insurance, and more than 26,000 of these employés belong to the poorly paid class of postmen, runners, and boatmen.

	Number on 31 March 1886.	Number of Life Insurance Policies taken out.			Percentage of Lives Insured.
		Up to 31 March 1885.	During 1885-86.	Total.	
Superintendents and Inspectors	346	38	7	45	13·
Postmasters, Sub-Postmasters, and Village Postmasters -	4,677	123	64	187	3·99
Schoolmasters and Extraneous Agents - - - - - -	1,969	- -	1	1	·05
Clerks - - - - - - -	5,086	177	65	242	4·75
Postmen and Village Postmen -	18,826	44	23	67	·48
Road Establishment - - -	12,271	11	6	17	·13
Signallers, &c. in Combined Offices - - - - - -	654	5	4	9	1·37
	38,829	398	170	568	1·46

From 1st April 1886 to 31st December 1886, 106 additional policies were issued, of the aggregate value of 92,400 rupees.

92. The following explanations cover the main causes of increase or decrease in 1886-87 and in the ensuing year. In the former case the comparison is between the Budget Estimates and the Revised Estimates of 1886-87; in the latter between the Budget Estimates of 1887-88 and the Revised Estimates of 1886-87:—

Comparison of Revised with Budget Estimates of 1886-87.

Revenue.	Increase.	Decrease.	Expenditure.	Increase.	Decrease.
	£.	£.		£.	£.
Land Revenue - - - - -	—	149,800	Opium - - - - - -	134,800	—
Opium - - - - - -	—	328,700	Police - - - - - -	233,600	—
Salt - - - - - - -	146,100	—	Marine - - - - - -	159,300	—
Excise - - - - - - -	136,800	—	State Railways (Working Expenses) - - - -	—	291,100
Assessed Taxes - - - -	—	110,000	Guaranteed Companies - -	109,500	—
State Railways:—			Army - - - - - - -	804,600	—
Gross Earnings - - -	—	127,100			
Guaranteed Companies:—					
Net Traffic Receipts - -	419,000	—			

REVENUE.

93. *Land Revenue* (I.); decrease 149,800 *l.* In Upper Burma alone the decrease is 304,600 *l.*, and is due partly to the defective information on which the first estimates were based, and partly to the unsettled state of the country. In other provinces, the Land Revenue was, as will be seen from the Provincial figures, better than the Estimate.

Opium (II.); decrease 328,700 *l.* There is a decrease of 522,100 *l.* in the receipts from Bengal opium, and an increase of 197,500 *l.* in those from Malwa opium; besides small differences in the receipts from excise opium in other provinces. The Budget Estimate provided for a sale of 55,500 chests of Bengal opium at 1,200 rupees a chest = 6,660,000 *l.*, *plus* excise opium and miscellaneous receipts, 70,000 *l.*, or a total of 6,730,000 *l.* The total number of chests sold during the year was 54,750, which resulted in a decrease of 513,000 *l.*, owing to an average rate of *Rs.* 1,122. 11 *a.* 9 *p.* a chest having been realised.

realised. There is, besides, a net decrease of 9,100 *l.* on account of excise opium and miscellaneous receipts. The increase in Bombay is due to the number of chests of Malwa opium exported during the year having been somewhat larger than was anticipated in the Budget.

Salt (III.); increase 146,100 *l.* This occurs chiefly in Bombay and the Central Provinces, and is due to the more extended sale of Baragóra salt during the first three months of the year, during which a high price was maintained on the Sambhar salt, as explained in paragraph 47 of last year's Statement.

Excise; increase 130,800 *l.* The increase of Excise Revenue is general.

Assessed Taxes; decrease 110,000 *l.* The decrease of 110,000 *l.* is chiefly due to the decision to levy income-tax upon the surplus profits, and not upon the net earnings, of the Guaranteed Railways. As explained in paragraph 77, the effect on the Government account was more nominal than real.

Railways. Under this head, State Railways show a decrease of 127,100 *l.*, and Guaranteed an increase of 419,000 *l.*

The main factors of the first of these figures are:—

	£.
East Indian Railway—Decrease - - - -	55,000
North Western Railway—ditto - - - - - -	164,500
Rajputana-Malwa Railway, Imperial portion—Increase	32,500
Southern Mahratta Railway—Increase - - -	22,500
Provincial Railway—Increase - - - - -	44,400

The decrease in the East Indian Railway receipts is due to the grain traffic during the earlier months of the year having been below the expectations formed when the Budget Estimates for the year were framed. The large decrease in the North Western Railway is due to the falling off in the receipts from the carriage of materials for frontier railways, and to a great falling off in the usual export wheat traffic from the Punjab. In the Southern Mahratta Railway, the increase is due to an increase in the open mileage.

Under Provincial State Railways the principal contributors to the increase are Burma Railway, 25,000 *l.*; Northern Bengal, 30,000 *l.*; Tirhoot, 17,500 *l.*

In the Burma Railway the increase is due to the country having become quieter, and to movement of troops to Upper Burma, and in the Northern Bengal Railway to general increase of traffic. The increase in the Tirhoot line is the result of the reduction of third-class fares, the benefit of which is being gradually appreciated, and of the opening for traffic of a portion of the Kosi extension.

The increases under Guaranteed Railways (Net Traffic Receipts) are as follow:—

	Increase.
	£.
Madras Railway - - - - - - - -	55,000
South Indian Railway - - - - - -	6,500
Bombay, Baroda, and Central India Railway - -	25,000
Great Indian Peninsula Railway - - - -	270,000
Oudh and Rohilkhand Railway - - - - -	62,500
TOTAL - - - £.	419,000

84,500 *l.* of this is due to the exclusion from working expenses of the charge for payment of income-tax; the rest arises from improved traffic.

94. On the Expenditure side, the first noteworthy difference is—

EXPENDITURE.

Opium (4); increase 134,800 *l.* This increase occurs almost wholly in Bengal, and is due to the outturn of the Benares Agency for the season 1885-86 having proved larger than was anticipated when the Budget Estimate was framed.

Police (20), *and Marine* (21). The principal items here included are 195,000 *l.* on account of increased Police charges in Upper Burma, 139,000 *l.* under Marine on account of transport charges connected with operations in Upper Burma.

Famine Relief and Insurance; decrease 1,049,000 *l.* It has been explained, in paragraph 73, that the absence of a surplus has prevented our carrying out the intention, provided for in the Budget, of setting apart 749,000 *l.* for reduction of debt; and that, for the same reason, of the original grant of 500,000 *l.* for the construction of Protective Railways, we can afford to give only 200,000 *l.* from Revenue.

State Railways Working Expenses (38), 291,100 *l.*, counterbalanced by an increase, 109,500 *l.*, for payments of surplus profits to guaranteed railway companies, the necessary accompaniment of increased earnings. The principal items of the first are, East Indian Railway, 185,000 *l.*, and North Western Railway, 54,000 *l.* Of the first of these decreases, about 79,000 *l.* is in consequence of the decision to levy income tax on the surplus profits, instead of basing it on the net earnings and including the amount in working expenses; 50,000 *l.* is due to the write-back to capital of the value of stores issued to revenue, but not used; and the balance to renewals of way and stock not having been carried out to the extent anticipated.

The decrease on the North Western Railway is accounted for by the reduced traffic during the year already noticed on the receipt side.

Against the foregoing decreases there is a large increase of 34,000 *l.* in the working expenses of the Eastern Bengal Railway, caused by extensive renewals of permanent way and repairs to rolling stock, &c.

The provincial State Railways also show a small decrease in working expenses which occurs mostly on the Nagpur-Chhatisgarh Railway. This is due to a large provision for ballast not being required, as the expenditure on this head has been charged to capital, to less outlay in repairing culverts, and to the return of materials to store.

Army, Effective (46); increase 673,700 *l.* This increase arose in consequence of the necessity for adding, during the year, to the garrison to be maintained in Upper Burma, and to the movements of troops there. The other principal items which have contributed to this increase are (1) the raising of two additional Goorkha Battalions; (2) purchase of mules for the Artillery; (3) provision of a greater number of medical officers and subordinates; and (4) additional purchases of land to meet military requirements. On the other hand, there have been savings due to the postponement of the arrival of a portion of the sanctioned additional number of British troops, and also to the instructions issued in the early part of the year to ensure the observance of strict economy in all branches of the army.

95. The principal items of difference between the Budget Estimates of 1887-88 and the Revised Estimates of 1886-87 are:—

Comparison of Budget Estimates of 1887-88 with Revised Estimates of 1886-87.

Revenue.	Increase.	Decrease.	Expenditure.	Increase.	Decrease.
	£.	£.		£.	£.
Land Revenue	327,100	—	Land Revenue	153,200	—
			Opium	—	279,200
State Railways (gross earnings)	604,400	—	Police	463,800	—
Military Works	—	152,400	Political	—	120,200
			Construction of Railways	—	112,900
			Railways:—		
			State Railways (working expenses)	553,300	—
			Military Works	170,000	—

96. *Land*

96. *Land Revenue* (I.)—Increase 327,100 *l.* Of this increase, a sum of 209,900 *l.* is anticipated from Upper Burma, and the balance from Bombay. The increase in the latter case is due, to a considerable extent, to the postponement, till next year, of 50,000 *l.* due in 1886-87. REVENUE.

State Railways (*Gross Earnings*) (XXVI.)—Increase 604,400 *l.* This increase is general, and is due in many cases to increased open mileage. With the exception of the Northern Bengal Railway and a few other minor lines, all the railways are expected to earn more in 1887-88 than in the previous year. The main increases are—

	£.
Rajputana-Malwa Railway	50,000
Umeria Colliery	21,500
Indian Midland Railway	23,100
Lucknow-Sitapur-Kheri Railway (Provincial)	26,200
Cuddapah-Nellore and Bellary-Kistna (new lines)	35,000
North Western Railway	335,000
Southern Mahratta Railway	117,500
TOTAL £.	608,300

The largest of these, that on the North Western Railway, is principally a recovery from the low figures of the current year, but is also partly due to the opening of the frontier lines.

It has already been explained that there is a considerable alteration in the distribution of the railways between Imperial and Provincial, and that the Provincial share of the increase under this head, which is 282,700 *l.*, arises not from improvement of revenue upon Provincial Railways, but from the transfer to Provincial of the Eastern Bengal Railway, and the transfer to Imperial of some lines that have hitherto been Provincial.

The decrease of receipts under Military Works (XXXI.) is due to the exceptional recovery in 1886-87 of 150,000 *l.* from his Highness the Maharaja Sindia, on account of the Morar Cantonment and the Gwalior Fort.

97. On the expenditure side there is under *Land Revenue* (3) a net increase of expenditure of 153,200 *l.* EXPENDITURE.

The chief increases occur in the following Provinces:—

	£.
Central Provinces	21,600
Upper Burma	48,700
Punjab	13,200
Madras	43,700

In the Central Provinces and Punjab the increases are on account of extended settlement operations. In Madras it is due to the proposed revision of subordinate revenue establishments. In Upper Burma the increase has been provided for in view of the anticipated realisation of revenue on the pacification of the province. As a good deal of expenditure under this head, which was formerly partly Imperial, has in the new contracts been made wholly Provincial, the result on the whole is a diminution of Imperial expenditure, but an increase of Provincial by more than the whole 153,600 *l.*

Under *Opium* (4) we estimate for smaller expenditure by 279,200 *l.* than that of this year, as we do not anticipate the recurrence of the recent very favourable crops.

The changes in the expenditure under the remaining revenue heads are mostly transfers of expenditure between Imperial and Provincial.

Under *Civil Departments*, we have a gross increase of expenditure in India, 407,400 *l.*, which comes mainly under two heads, namely, Police (20), increase 463,800 *l.*, almost entirely in Upper Burma (where the police is estimated to cost 737,000 *l.* altogether), and Political (25), decrease 120,200 *l.*, owing to cessation of charges for the Afghan Boundary Commission and the Thibet Mission.

Under *Railway Revenue Account* we provide for a gross increase of 553,300 *l.* in State railway working expenses (38), and 147,700 *l.* under State railway interest account.

Of the former the principal increases are as follow:—East Indian Railway 70,000 *l.* (This apparent increase is explained by the write-back in 1886-87.)

North Western Railway, 380,000 *l.* (This is to provide for extensive renewals of permanent way chiefly on the late Sind, Punjab, and Delhi Railway, and for working the Sind-Sagar State Railway and the Bolan and Sind-Pishin lines, which will be opened during the year.)

Southern Mahratta Railway, 52,500 *l.* (In 1887-88 the line will probably be opened throughout.)

The increase, 170,000 *l.*, on account of Military Works, is entirely on account of Upper Burma, where the expenditure is estimated at 300,000 *l.*

Ways and Means.

98. In the Financial Statement for 1886-87, it was estimated that the year would open with a balance on the Indian Treasuries of 12,401,932 *l.*, that the Secretary of State would draw (true sterling) 13,331,400 *l.* during the year, and that the balance of 31st March 1887, would be 10,617,432 *l.* The actual opening balance was 12,754,478 *l.* Council bills have fallen short considerably, the total for the year being now put down at 12,000,000 *l.*, and the closing balance at 13,016,578 *l.*

Commencing with this balance on 31st March 1887, we find that, after providing for the contemplated amount of drawings, 16,250,000 *l.*, we are left at the end of the year with an estimated balance of only 11,104,678 *l.* This is due to the heavy expenditure on Capital outlay, 3,135,900 *l.*, and special defence works, 383,700 *l.*, not charged to Revenue, and to the heavy payments (net 1,673,200 *l.*) we have to make to Railway Companies, against their payments into the Home Treasury.

We have been assisted in meeting the demands which will fall upon the Indian Treasuries next year, by the circumstance that the Gwalior Council of State has intimated its desire, through the Agent to the Governor General, Sir Lepel Griffin, to invest three and a-half crores of the late Maharaja's hoarded treasure in Government securities. We also propose to place in the market a loan of 200 lakhs; but it will be understood that, according to the usual custom, no pledge is, or can be, given regarding the time or the amount of borrowing. It has been decided not to raise any sterling loan for Public Works during the year.

With these loans our balance at the end of the year is estimated at 11,104,678 *l.*

Of our other transactions, under the head of Ways and Means, it remains only to note that we expect to get 660,000 *l.* by Savings Banks' deposits, but about the same amount will be required on the disbursement side, for the advance promised to the Calcutta and Bombay Port Trusts, out of the last year's loan of 1,200,000 *l.*

Recapitulation.

99. The following is a summary of the chief points in the foregoing Statement.

The Accounts for 1885-86 show the following:

	£.
Receipts - - - - - - - - -	74,464,197
Expenditure - - - - - - - - -	77,265,923
Deficit - - £.	2,801,726

The Revised Estimates of 1886-87 show—

Revenue - - - - - - - - -	76,071,700
Expenditure - - - - - - - - -	76,071,200
Surplus - - £.	500

The Estimates for 1887-88 show—

Revenue - - - - - - - - -	77,460,200
Expenditure - - - - - - - - -	77,443,500
Surplus - - £.	16,700

The

The deficit which would have otherwise occurred in the Revised Estimates of 1886-87 and the Estimates of 1887-88 has been met by transferring to loan charges against the Famine Insurance Grant the sum of 1,049,400 *l.* and 1,248,000 *l.* in those two years respectively.

The net charge in 1886-87, on account of Upper Burma civil and military expenditure, is 1,741,400 *l.*, and in 1887-88, 1,770,500 *l.*

The ultimate gain to the Imperial Government on the Provincial Contracts is 640,100 *l.*, the gain on the Estimates for the ensuing year, however, being 490,000 *l.* only. The recommendations of the Finance Committee in other directions cover a very wide field, and must for some considerable time continue to occupy the attention of the Government.

The income tax receipts in the Revised Estimates of 1886-87 are put at 1,348,100 *l.*, against 1,458,100 *l.* in the Budget of that year; the difference being mainly due to a decision to assess the income tax on the surplus profits of guaranteed railways, and not on their net earnings. As the share of the Government in the income tax on the net earnings of the guaranteed and State railways is 131,980 *l.*, the loss on account of income tax is merely nominal to this extent. The estimate for the next year on account of income tax is 1,406,000 *l.*

The net loss to the State on State and Guaranteed Railways in the Revised Estimates of 1886-87 is 1,177,900 *l.*, and in the Budget Estimates of 1887-88 1,383,700 *l.*

The Army Estimates for 1887-88, including Burma, amount to 19,197,000 *l.*, against 19,070,600 *l.* in the Revised Estimates of the preceding year; 344,984 *l.* are included in the Estimates of 1887-88 as increased expenditure on account of additions to the strength of the Army.

The opium prospects are good, but, as they are not so exceptional as last year, the expenditure on account of opium has been reduced from 2,785,300 *l.* in the Revised Estimates to 2,506,100 *l.* in the Budget Estimates for next year. The reserve at the close of 1886-87 is expected to stand at 36,705 chests. The price during the ensuing year has been taken at 1,100 rupees per chest; 4,750 chests will be sold each month during 1887; the amount to be sold in the first three months of 1888 will be notified hereafter.

The additional charge in the Revised Estimates of 1886-87 on account of exchange is 474,600 *l.* Exchange for 1887-88 has been taken at 17½ *d.*

The consumption of salt has increased, in the 11 months ending with 31st January 1887, by 941,000 maunds.

The import, both of gold and silver, has decreased, the former having fallen to 1,35,84,360 rupees for 10 months of 1886-87 from 2,76,29,347 rupees in 1885-86 (12 months), 4,67,19,365 rupees in 1884-85 (12 months), and 5,46,25,051 rupees in 1883-84 (12 months).

The District and Post Office Savings Banks have been amalgamated. The total balance in savings banks of all classes on 31st March 1886 was 5,081,183 *l.*

The Post Office Life Insurance scheme makes progress.

The opening balance of 1887-88 in India is expected to be 13,016,578 *l.*, and the closing balance 11,104,678 *l.* Provision has been made for drawings by the Secretary of State to the amount of 16,250,000 *l.* (true sterling).

The annual loan for Public Works will amount to 5½ crores, and will be raised in India. Of this amount 3½ will be obtained by the investment in Government securities, at the desire of the Gwalior Council of Regency, of treasure hoarded by the late Maharaja Scindiah. No Public Works Sterling Loan will be raised this year.

26 March 1887.

APPENDICES.

APPENDIX I.

ACCOUNTS AND ESTIMATES.

ACCOUNTS - - - - -	1885-86.
REVISED ESTIMATES - - -	1886-87.
BUDGET ESTIMATES - - -	1887-88.

CONTENTS:

	PAGES
General Statement of the Accounts and Estimates of the Revenue and Expenditure, and Receipts and Disbursements, of the Government of India, in India and in England - - - - - - - - - - - - - - -	52
A.—Statement of the Revenue of India, in India and in England - - - - -	54
B.—Statement of the Expenditure chargeable on the Revenues of India, in India and in England - - - - - - - - - - - - - - -	56
C.—Statement of Receipts and Disbursements other than Revenue and Expenditure of the Government of India, in India and in England - - - - - -	60
D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Contracts - -	62
E.—Statement of Net Revenue and Expenditure, England and India - - -	64

GENERAL STATEMENT of the Accounts and Estimates of the Government of India,

[£. 1 is recorded for every 10 rupees, in respect of

	For Detail, *vide* Statement.	RECEIPTS. Accounts, 1885–86.	Budget Estimate, 1886–87.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.
REVENUE:		£.	£.	£.	£.
Principal Heads of Revenue:					
Land Revenue	–	22,592,371	22,760,300	22,610,500	22,937,600
Opium	–	8,942,515	9,227,600	8,898,900	8,893,300
Salt	–	6,345,128	6,392,500	6,598,600	6,604,600
Stamps	–	3,663,174	3,694,400	3,721,100	3,716,200
Excise	–	4,152,136	4,134,800	4,265,600	4,225,400
Other Heads	A.	6,747,001	7,715,500	7,631,000	7,751,600
TOTAL, PRINCIPAL HEADS	,,	52,442,325	53,925,100	53,665,700	54,128,700
Interest	,,	698,982	644,200	680,900	686,500
Post Office, Telegraph, and Mint	,,	1,965,360	1,914,100	1,976,700	2,025,300
Receipts by Civil Departments	,,	1,427,406	1,433,800	1,454,206	1,425,300
Miscellaneous	,,	1,077,809	703,100	831,400	1,177,000
Railways	,,	13,684,084	13,975,000	14,260,900	14,892,500
Irrigation	,,	1,588,278	1,621,600	1,594,800	1,688,000
Buildings and Roads	,,	615,581	680,100	690,800	539,500
Receipts by Military Departments	,,	963,872	841,700	910,300	897,400
TOTAL REVENUE	–	74,464,197	75,798,700	76,071,700	77,460,200
Extraordinary Receipts:		£.			
Assets of the Bengal Civil Fund credited to Government by charge to Unfunded Debt in accordance with Act 45 & 46 Vict. c. 45		1,908,469			
Ditto Madras Civil Fund, ditto		2,257,000			
Ditto Bombay City Police Supervision Fund, ditto		30,930			
	–	4,196,399	—	—	—
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net incurred)	C.	3,584,979	9,415,400	9,737,700	2,000,500
Unfunded Debt (net incurred)	,,	—	478,200	710,600	4,213,100
Deposits and Advances (net)	,,	3,392,767	733,500	628,200	—
Loans to Municipalities, Native States, &c. (net Recoveries).	,,	102,720	—	72,500	—
Capital of Railway Companies (net Receipts)	,,	4,150,924	—	—	—
Remittances (net)	,,	410,512	—	1,078,300	—
Secretary of State's Bills drawn	,,	10,292,692	13,331,400	12,000,000	16,250,000
TOTAL RECEIPTS	–	100,595,190	99,757,200	100,299,000	99,923,800
Balance on 1st April—India	–	12,540,532	12,401,932	12,754,478	13,016,578
England	–	2,249,378	4,777,978	4,726,585	2,077,085
GRAND TOTAL	–	115,385,100	116,937,110	117,780,063	115,017,463

Fort William, Department of Finance and Commerce,
26 March 1887.

E. W. Kellner,
Deputy Comptroller General.

REVENUE and EXPENDITURE, and RECEIPTS and DISBURSEMENTS, of the
in INDIA and in ENGLAND.

Transactions in India, including those of "Exchange."] Figures nearest to 100 in columns for Estimates.

	For Detail, *vide* Statement.	DISBURSEMENTS.			
		Accounts, 1885-86.	Budget Estimate, 1886-87.	Revised Estimate, 1886-87.	Budget Estimate, 1887-88.
EXPENDITURE:		£.	£.	£.	£.
Direct Demands on the Revenues	B.	9,805,278	9,675,200	9,786,000	9,650,600
Interest	„	4,330,861	4,250,300	4,307,700	4,412,200
Post Office, Telegraph, and Mint	„	2,292,961	2,227,500	2,171,800	2,261,500
Salaries and Expenses of Civil Departments	„	12,243,689	12,354,900	12,650,100	13,179,700
Miscellaneous Civil Charges	„	4,634,598	4,848,600	4,723,000	4,856,200
Famine Relief and Insurance	„	1,500,000	1,361,300	311,900	94,500
Construction of Railways (charged against Revenue, in addition to that under Famine Insurance).	„	632,055	109,200	187,900	75,000
Railway Revenue Account	„	14,415,797	15,696,700	15,700,600	16,481,900
Irrigation	„	2,303,747	2,352,900	2,396,400	2,441,300
Buildings and Roads	„	4,485,276	5,449,300	5,342,500	5,553,200
Army Services	„	20,097,779	18,266,000	19,070,600	19,197,000
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL	–	76,742,041	76,591,900	76,648,500	78,203,100
Add,—Provincial Surpluses, that is, portion of Allotments to Provincial Governments not spent by them in the year.	End of B.	731,242	—	+ 54,800	—.
Deduct,—Provincial Deficits, that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	—207,360	—975,400	—632,100	—759,600
TOTAL EXPENDITURE charged against REVENUE	–	**77,265,923**	**75,616,500**	**76,071,200**	**77,443,500**
EXPENDITURE NOT CHARGED TO REVENUE:					
Capital Outlay on Railways and Irrigation Works	End of B.	5,275,364	5,427,100	5,802,500	4,994,200
Special Defence Works	„	—	441,700	305,200	474,600
Capital Charge involved in Redemption of Liabilities	–	1,086,045	4,844,200	4,914,500	—
DEBT, DEPOSITS, AND ADVANCES:					
Unfunded Debt (net discharged)	C.	3,283,959	—	—	—
Deposits and Advances (net)	„	—	—	—	1,160,800
Loans to Municipalities, Native States, &c. (net Payments).	„	—	897,600	—	677,200
Capital of Railway Companies (net Payments)	„	—	3,162,000	3,644,900	656,200
Remittances (net)	„	—	135,400	—	85,000
Secretary of State's Bills paid	„	10,992,746	13,331,400	11,948,100	16,250,000
TOTAL DISBURSEMENTS	–	97,904,037	103,855,900	102,686,400	101,741,500
Balance on 31st March—India	–	12,754,478	10,617,432	13,016,578	11,104,678
England	–	4,726,585	2,463,778	2,077,085	2,171,285
GRAND TOTAL	–	115,385,100	116,937,110	117,780,063	115,017,463
Revenue		74,464,197	75,798,700	76,071,700	77,460,200
Expenditure chargeable thereon		77,265,923	75,616,500	76,071,200	77,443,500
Surplus + or Deficit —		—2,801,726	+ 182,200	+ 500	+ 16,700

E. Gay,
Officiating Comptroller General.

J. Westland,
Officiating Secretary to the Government of India.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF REVENUE.	ACCOUNTS, 1885–86.					REVISED	
	India.		England.	Exchange.*	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
PRINCIPAL HEADS OF REVENUE:	£.	£.	£.	£.	£.	£.	£.
I.—Land Revenue	13,450,572	9,141,799	-	-	22,592,371	13,964,600	8,645,900
II.—Opium	8,942,515	-	-	-	8,942,515	8,898,900	-
III.—Salt	6,317,754	27,374	-	-	6,345,128	6,505,000	33,600
IV.—Stamps	1,851,387	1,811,787	-	-	3,663,174	1,883,500	1,837,600
V.—Excise	2,105,266	2,046,870	-	-	4,152,136	2,164,900	2,100,700
VI.—Provincial Rates	1,632	2,958,683	-	-	2,960,315	1,300	2,942,300
VII.—Customs	1,020,624	179,352	-	-	1,199,976	1,043,700	168,200
VIII.—Assessed Taxes	251,599	251,495	-	-	503,034	1,095,900	253,100
IX.—Forest	490,983	594,015	832	262	1,086,092	525,500	619,100
X.—Registration	154,697	153,309	-	-	308,006	149,900	148,000
XI.—Tributes from Native States	689,578	-	-	-	689,578	696,900	-
Total £.	35,276,607	17,164,624	832	262	**52,442,325**	36,923,200	16,742,500
XII.—Interest	654,146	32,824	9,136	2,876	**698,982**	593,300	32,800
POST OFFICE, TELEGRAPH, AND MINT:							
XIII.—Post Office	1,108,849	4,237	-	-	1,113,086	1,161,700	4,600
XIV.—Telegraph	581,357	374	35,560	11,193	628,484	640,700	300
XV.—Mint	224,290	-	-	-	224,290	156,400	-
Total £.	1,914,496	4,611	35,560	11,193	**1,965,860**	1,958,800	4,900
RECEIPTS BY CIVIL DEPARTMENTS:							
XVI.—Law and Justice { Courts	14,858	273,608	-	-	288,466	20,300	281,800
XVI.—Law and Justice { Jails	40,141	249,102	-	-	289,243	45,900	256,200
XVII.—Police	6,331	314,680	-	-	321,011	10,700	311,200
XVIII.—Marine	86,040	114,392	-	-	200,432	57,600	112,900
XIX.—Education	1,030	199,710	-	-	200,740	1,300	203,700
XX.—Medical	1	50,978	2,537	799	54,315	100	55,000
XXI.—Scientific and other Minor Departments.	13,254	59,765	137	43	73,199	35,800	57,500
Total £.	161,655	1,262,235	2,674	842	**1,427,406**	171,700	1,278,300
MISCELLANEOUS:							
XXII.—Receipts in aid of Superannuation, &c.	221,587	30,146	125,330	39,450	416,513	231,300	32,800
XXIII.—Stationery and Printing	7,121	48,569	-	-	55,690	53,900	44,000
XXIV.—Exchange	264,378	-	-	-	264,378	-	-
XXV.—Miscellaneous	69,673	263,276	6,297	1,982	341,228	78,300	247,700
Total £.	562,759	341,991	131,627	41,432	**1,077,809**	363,500	324,500
RAILWAYS:							
XXVI.—State Railways (Gross Earnings)	8,988,902	969,686	230	72	9,958,890	9,627,000	1,087,100
XXVII.—Guaranteed Companies (Net Traffic Receipts).	3,725,075	-	-	-	3,725,075	3,552,500	-
XXVIII.—Subsidized Companies (Repayment of Advances of Interest).	-	119	-	-	119	-	-
Total £.	12,713,977	969,805	230	72	**13,684,084**	13,179,500	1,087,100
IRRIGATION:							
XXIX.—Major Works: Direct Receipts	267,902	596,871	-	-	864,773	313,700	527,400
Portion of Land Revenue due to Irrigation.	562,607	-	-	-	562,607	558,300	-
XXX.—Minor Works and Navigation	29,956	130,942	-	-	160,898	31,600	113,800
Total £.	860,465	727,813	-	-	**1,588,278**	903,600	691,200
BUILDINGS AND ROADS:							
XXXI.—Military Works	41,158	-	-	-	41,158	188,800	-
XXXII.—Civil Works	7,238	541,217	19,751	6,217	574,423	9,500	462,300
Total £.	48,396	541,217	19,751	6,217	**615,581**	198,300	462,300
RECEIPTS BY MILITARY DEPARTMENTS:							
XXXIII.—Army: Effective	838,810	-	56,168	17,680	912,658	797,200	-
Non-effective	47,143	-	3,096	975	51,214	41,500	-
Total £.	885,953	-	59,264	18,655	**963,872**	838,700	-
TOTAL REVENUES £.	53,078,454	21,045,120	259,074	81,549	**74,464,197**	55,130,600	20,623,600

* The columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England, the Exchange thereon calculated in accordance with the average rate obtained for Bills and Telegraphic Transfers sold during the year.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

Transactions in India, including those of "Exchange."] Figures nearest to 100 in columns for Estimates.

ESTIMATE, 1886-87.			Increase + Decrease — of Revised as compared with Budget Estimates, 1886-87.	BUDGET ESTIMATE, 1887-88.					Increase + Decrease — of Budget, 1887-88, as compared with Revised Estimates, 1886-87.
				India.					
England.	Exchange.* 1 s. 5⅛ d.	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.* 1 s. 5⅛ d.	TOTAL.	
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
- -	- -	22,610,500	— 149,800	14,156,000	8,781,600	- -	- -	22,937,600	+ 327,100
- -	- -	8,898,900	— 328,700	8,893,300	- -	- -	- -	8,893,300	— 5,600
- -	- -	6,538,600	+ 146,100	6,577,800	26,800	- -	- -	6,604,600	+ 66,000
- -	- -	3,721,100	+ 26,700	1,074,200	2,642,000	- -	- -	3,716,200	— 4,900
- -	- -	4,265,600	+ 130,800	3,096,000	1,129,400	- -	- -	4,225,400	— 40,200
- -	- -	2,943,600	+ 34,500	800	2,956,700	- -	- -	2,957,500	+ 13,900
- -	- -	1,211,900	+ 38,700	1,217,600	15,100	- -	- -	1,232,700	+ 20,800
- -	- -	1,348,100	— 110,000	833,700	572,300	- -	- -	1,406,000	+ 57,900
- -	- -	1,138,600	— 14,700	521,800	608,900	- -	- -	1,130,700	— 7,900
- -	- -	297,900	— 11,900	152,100	150,600	- -	- -	302,700	+ 4,800
- -	- -	690,900	— 21,100	722,000	- -	- -	- -	722,000	+ 31,100
- -	- -	**53,665,700**	— 259,400	37,245,300	16,883,400	- -	- -	**54,128,700**	+ 463,000
40,000	14,800	**680,900**	+ 36,700	640,900	31,900	10,000	3,700	**686,500**	+ 5,600
- -	- -	1,166,300	+ 9,200	1,210,900	5,400	- -	- -	1,216,300	+ 50,000
9,500	3,500	654,000	+ 78,100	628,700	300	7,000	2,600	638,600	— 15,400
- -	- -	156,400	— 24,700	170,400	- -	- -	- -	170,400	+ 14,000
9,500	3,500	**1,976,700**	+ 62,600	2,010,000	5,700	7,000	2,600	**2,025,300**	+ 48,600
- -	- -	302,100	+ 6,100	22,200	275,700	- -	- -	297,900	— 4,200
- -	- -	302,100	+ 22,100	40,500	253,000	- -	- -	293,500	— 8,600
- -	- -	321,900	— 300	11,900	312,000	- -	- -	323,900	+ 2,000
- -	- -	170,500	— 14,300	57,700	115,600	- -	- -	173,300	+ 2,800
- -	- -	205,000	+ 1,200	1,300	197,400	- -	- -	198,700	— 6,300
2,500	900	58,500	+ 700	- -	53,500	2,200	800	56,500	— 2,000
600	200	94,100	+ 4,900	23,100	56,600	1,300	500	81,500	— 12,600
3,100	1,100	**1,454,200**	+ 20,400	156,700	1,263,800	3,500	1,300	**1,425,300**	— 28,900
102,600	38,100	404,800	+ 11,700	228,500	31,700	96,400	35,800	392,400	— 12,400
- -	- -	97,900	+ 26,400	54,600	42,600	- -	- -	97,200	— 700
- -	- -	- -	- -	365,400	- -	- -	- -	365,400	+ 365,400
2,000	700	328,700	+ 30,200	74,100	244,500	2,500	900	322,000	— 6,700
104,600	38,800	**831,400**	+ 68,300	722,600	318,800	98,900	36,700	**1,177,000**	+ 345,600
200	100	10,714,400	— 127,100	9,948,700	1,369,800	200	100	11,318,800	+ 604,400
- -	- -	3,552,500	+ 419,000	3,515,000	- -	- -	- -	3,515,000	— 37,500
- -	- -	- -	- -	58,700	- -	- -	- -	58,700	+ 58,700
200	100	**14,266,900**	+ 291,900	13,522,400	1,369,800	200	100	**14,892,500**	+ 625,600
- -	- -	891,100	— 30,200	374,900	584,300	- -	- -	959,200	+ 68,100
- -	- -	558,300	+ 2,600	576,500	- -	- -	- -	576,500	+ 18,200
- -	- -	145,400	+ 800	27,700	124,600	- -	- -	152,300	+ 6,900
- -	- -	**1,594,800**	— 26,800	979,100	708,900	- -	- -	**1,688,000**	+ 93,200
- -	- -	188,800	+ 700	36,400	- -	- -	- -	36,400	— 152,400
22,000	8,200	502,000	+ 10,000	9,700	462,300	22,700	8,400	503,100	+ 1,100
22,000	8,200	**690,800**	+ 10,700	46,100	462,300	22,700	8,400	**539,500**	— 151,300
48,000	17,800	863,000	+ 74,100	800,900	- -	30,000	11,200	842,100	— 20,900
4,200	1,600	47,300	— 5,500	49,100	- -	4,500	1,700	55,300	+ 8,000
52,200	19,400	**910,300**	+ 68,600	850,000	- -	34,500	12,900	**897,400**	— 12,900
231,600	85,900	**76,071,700**	+ 273,000	56,173,100	21,044,600	176,800	65,700	**77,460,200**	+ 1,388,500

B.—STATEMENT of the EXPENDITURE Chargeable on the

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF EXPENDITURE.	ACCOUNTS, 1885-86. India. Imperial.	India. Provincial and Local.	England.	Exchange.†	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
DIRECT DEMANDS ON THE REVENUES:	£.	£.	£.	£.	£.	£.	£.
1.—Refunds and Drawbacks	128,715	77,459	-	-	206,174	136,600	72,800
2.—Assignments and Compensations	584,567	811,970	-	-	1,396,537	559,200	813,300
Charges in respect of Collection, viz.:							
3.—Land Revenue	277,760	3,136,095	332	105	3,414,292	338,400	3,175,800
4.—Opium (including cost of production)	3,051,481	-	4,710	1,483	3,057,674	2,782,400	-
5.—Salt (including cost of production)	307,341	92,013	1,722	542	401,618	388,500	94,500
6.—Stamps	21,997	62,150	48,543	15,280	147,970	21,300	65,100
7.—Excise	61,464	61,743	886	279	124,372	58,600	58,700
8.—Provincial Rates	-	47,057	-	-	47,057	-	47,600
9.—Customs	-	130,719	-	-	130,719	-	133,400
10.—Assessed Taxes	6,379	6,092	-	-	12,471	46,200	6,500
11.—Forest	301,559	375,550	2,950	929	680,988	312,500	415,100
12.—Registration	93,011	92,395	-	-	185,406	93,200	92,200
TOTAL	4,834,274	4,893,243	59,143	18,618	**9,805,278**	4,741,000	4,974,400
INTEREST:							
13.—Interest on Debt * other than that charged to Railways and Irrigation Works.	663,650	-	2,428,948	764,563	3,857,161	381,700	-
14.—Interest on other Obligations	470,498	2,814	295	93	473,700	361,000	2,700
TOTAL	1,134,148	2,814	2,429,243	764,656	**4,330,861**	742,700	2,700
POST OFFICE, TELEGRAPH, AND MINT:							
15.—Post Office	1,056,829	107,541	105,139	33,095	1,302,604	1,079,500	109,400
16.—Telegraph	520,011	574	267,861	84,315	872,761	573,700	500
17.—Mint	88,327	-	22,262	7,007	117,596	70,300	-
TOTAL	1,665,167	108,115	395,262	124,417	**2,292,961**	1,723,500	109,900
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:							
18.—General Administration	626,710	760,964	262,582	82,653	1,732,909	621,800	772,700
19.—Law and Justice { Courts	25,328	2,435,143	1,109	349	2,461,929	56,500	2,581,900
19.—Law and Justice { Jails	140,441	749,014	-	-	890,355	136,300	641,100
20.—Police	95,142	2,757,582	-	-	2,852,724	417,700	2,833,800
21.—Marine (including River Navigation)	209,268	127,201	143,166	45,065	524,700	374,500	128,800
22.—Education	16,219	1,226,377	381	120	1,243,097	15,200	1,276,500
23.—Ecclesiastical	163,045	-	609	192	163,846	160,600	-
24.—Medical	16,091	720,082	8,667	2,728	747,568	21,900	724,600
25.—Political	1,107,387	134	32,859	10,343	1,150,723	709,300	200
26.—Scientific and other Minor Departments	265,814	188,316	16,511	5,197	475,838	280,700	153,200
TOTAL	2,665,445	8,965,713	465,884	146,647	**12,243,689**	2,794,500	9,112,200
MISCELLANEOUS CIVIL CHARGES:							
27.—Territorial and Political Pensions	623,736	-	22,062	6,944	652,742	634,500	-
28.—Civil Furlough and Absentee Allowances	4,589	-	196,191	61,755	262,535	4,100	-
29.—Superannuation Allowances and Pensions	347,213	574,460	1,506,051	474,062	2,901,786	93,300	599,500
30.—Stationery and Printing	28,329	384,368	74,537	23,462	510,696	47,100	381,600
31.—Exchange	-	-	-	-	-	48,000	-
32.—Miscellaneous	50,802	214,782	31,378	9,877	306,839	83,800	206,800
TOTAL	1,054,669	1,173,610	1,830,219	576,100	**4,634,598**	910,800	1,187,900
FAMINE RELIEF AND INSURANCE:							
33.—Famine Relief	37	40,658	-	-	40,695	-	600
34.—Construction of Protective Railways	589,000	-	-	-	589,000	200,000	-
35.—Construction of Protective Irrigation Works	186,807	-	-	-	186,807	111,300	-
36.—Reduction of Debt	683,498	-	-	-	683,498	-	-
TOTAL	1,459,342	40,658	-	-	**1,500,000**	311,300	600
Carried forward - £.	12,813,045	15,184,153	5,179,751	1,630,438	34,807,387	11,224,700	15,388,300

	ACCOUNTS, 1885-86. India.	England.	Exchange.	TOTAL.
* The "Interest on Debt" is distributed as follows:—	£.	£.	£.	£.
Interest on Debt (other than that charged to Railways and Irrigation Works) as above	663,650	2,428,948	764,563	3,857,161
Under Railway Revenue Account	2,181,875	366,155	115,255	2,663,285
Under Irrigation	964,847	-	-	964,847
TOTAL £.	3,810,372	2,795,103	879,818	7,485,293

† *See* foot-note to Statement, A., p. 54.

REVENUES of INDIA, in INDIA and in ENGLAND

Transactions in India, including those of "Exchange."] Figures nearest to 100 in columns for Estimates.

ESTIMATE, 1886-87.			Increase+ Decrease— of Revised as compared with Budget Estimates, 1886-87.	BUDGET ESTIMATE, 1887-88.					Increase+ Decrease— of Budget, 1887-88, as compared with Revised Estimates, 1886-87.
				India.					
England.	Exchange. 1 s. 5½ d.	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange. 1 s. 5½ d.	TOTAL.	
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
- -	- -	209,400	+ 2,400	135,300	66,900	- -	- -	202,200	— 7,200
- -	- -	1,372,500	+ 71,500	552,500	815,100	- -	- -	1,367,600	— 4,900
1,000	400	3,515,600	— 73,200	265,300	3,402,500	700	300	3,668,800	+153,200
2,000	900	2,785,300	+134,800	2,504,000	- -	1,500	600	2,506,100	—279,200
100	- -	483,100	— 13,500	467,500	1,500	100	- -	469,100	— 14,000
44,900	16,700	148,000	— 5,300	— 6,600	91,600	67,700	25,100	177,800	+ 29,800
200	100	117,600	+ 11,800	86,600	32,000	200	100	118,900	+ 1,300
- -	- -	47,000	+ 400	- -	47,200	- -	- -	47,200	+ 200
- -	- -	133,400	- -	49,800	85,300	- -	- -	135,100	+ 1,700
- -	- -	52,700	— 6,000	18,600	15,000	- -	- -	33,600	— 19,100
2,500	900	736,000	— 6,300	326,000	409,000	1,900	700	737,600	+ 1,600
- -	- -	185,400	— 5,800	93,800	92,800	- -	- -	186,600	+ 1,200
50,700	19,000	**9,786,000**	+110,800	4,402,800	5,058,900	72,100	26,800	**9,650,600**	—135,400
2,597,200	964,700	3,943,600	+ 57,500	418,100	- -	2,630,100	976,900	4,025,100	+ 81,500
300	100	364,100	— 100	383,800	2,600	500	100	387,100	+ 23,000
2,597,500	964,800	**4,307,700**	+ 57,400	801,900	2,600	2,630,600	977,100	**4,412,200**	+104,500
118,200	43,900	1,351,000	— 3,000	1,100,200	112,300	110,800	41,200	1,364,500	+ 13,500
121,300	45,100	740,600	— 39,300	622,900	500	136,700	50,800	810,900	+ 70,300
7,200	2,700	80,200	— 13,400	79,000	- -	5,200	1,900	86,100	+ 5,900
246,700	91,700	**2,171,800**	— 55,700	1,802,100	112,800	252,700	93,900	**2,261,500**	+ 89,700
249,600	92,700	1,736,800	— 7,300	604,000	768,000	246,700	91,600	1,710,300	— 26,500
1,200	500	2,640,100	— 24,700	88,300	2,608,500	2,000	700	2,699,500	+ 59,400
- -	- -	777,400	— 28,000	158,200	657,400	- -	- -	815,600	+ 38,200
- -	- -	3,251,500	+233,600	833,900	2,881,400	- -	- -	3,715,300	+463,800
229,600	85,300	818,200	+159,300	278,500	138,000	326,700	121,300	864,500	+ 46,300
400	100	1,292,200	— 34,300	14,800	1,303,300	900	300	1,319,300	+ 27,100
300	100	161,000	— 11,800	171,500	- -	300	100	171,900	+ 10,900
7,200	2,700	756,400	— 32,200	44,700	748,300	7,400	2,800	803,200	+ 46,800
30,100	11,200	750,800	+ 68,900	592,800	400	27,300	10,100	630,600	—120,200
23,200	8,600	465,700	— 28,300	268,200	154,500	19,500	7,300	449,500	— 16,200
541,600	201,200	**12,650,100**	+295,200	3,054,900	9,259,800	630,800	234,200	**13,179,700**	+ 529,600
18,400	6,900	659,800	— 14,500	638,200	- -	27,200	10,100	675,500	+ 15,700
189,000	70,200	263,300	— 36,300	5,400	- -	217,000	80,600	303,000	+ 39,700
1,587,000	589,500	2,869,300	+ 30,500	93,400	619,600	1,608,000	597,300	2,918,300	+ 49,000
90,700	33,500	552,900	— 3,300	51,200	391,500	109,700	40,700	593,100	+ 40,200
- -	- -	48,000	— 89,700	- -	- -	- -	- -	- -	— 48,000
28,500	10,600	329,700	— 12,300	129,300	197,900	28,500	10,600	366,300	+ 36,600
1,913,600	710,700	**4,723,000**	—125,600	917,500	1,209,000	1,990,400	739,300	**4,856,200**	+ 133,200
- -	- -	600	— 400	- -	2,000	- -	- -	2,000	+ 1,400
- -	- -	200.000	—300,000	- -	- -	- -	- -	-	—200,000
- -	- -	111,300	- -	92,500	- -	- -	- -	92,500	— 18,800
- -	- -	- -	—749,000	—	—	—	—	—	—
- -	- -	**311,900**	—1,049,400	92,500	2,000	- -	- -	**94,500**	—217,400
5,350,100	1,987,400	33,950,500	— 767,300	11,161,700	15,645,100	5,576,600	2,071,300	34,454,700	+ 504,200

REVISED ESTIMATE, 1886-87.				BUDGET ESTIMATE, 1887-88.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.
381,700	2,597,200	964,700	3,943,600	418,100	2,630,100	976,900	4,025,100
2,413,000	566,000	210,200	3,189,200	2,560,700	552,500	205,200	3,318,400
994,300	- -	- -	994,300	1,024,900	- -	- -	1,024,900
3,789,000	3,163,200	1,174,900	8,127,100	4,003,700	3,182,600	1,182,100	8,368,400

B.—STATEMENT of the EXPENDITURE Chargeable on the

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF EXPENDITURE.	ACCOUNTS, 1885-86.					REVISED	
	India.		England.	Exchange.*	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
	£.	£.	£.	£.	£.	£.	£.
Brought forward - -	12,813,045	15,184,153	5,179,751	1,030,438	34,802,387	11,224,700	15,388,300
37.—CONSTRUCTION of RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	500,000	132,055	- -	- -	632,055	- -	187,900
RAILWAY REVENUE ACCOUNT:							
38.—State Railways: Working Expenses - -	4,212,521	689,571	- -	- -	4,902,092	4,808,000	670,000
Interest on Debt - - - - - -	1,800,820	331,055	366,155	115,255	2,663,285	2,017,100	395,900
Annuities in purchase of Railways - -	- -	- -	1,324,031	416,767	1,740,798	- -	- -
Interest on Capital deposited by Companies	289	- -	195,886	61,659	257,834	400	- -
39.—Guaranteed Companies: Surplus Profits, Land, and Supervision.	476,682	- -	- -	- -	476,682	667,000	- -
Interest - - - - - - -	49,767	- -	3,180,735	1,001,205	4,231,707	11,000	- -
40.—Subsidised Companies: Land, &c. - -	27,276	16,849	- -	- -	44,125	33,100	14,900
Advances of Interest - - - - -	- -	- -	- -	- -	- -	- -	- -
41.—Miscellaneous Railway Expenditure - -	91,235	8,039	- -	- -	99,274	82,500	13,700
Total - - -	6,658,590	1,095,514	5,066,807	1,594,886	14,415,797	7,359,100	1,094,500
IRRIGATION:							
42.—Major Works: Working Expenses - -	266,014	327,136	- -	- -	593,150	287,400	355,200
Interest on Debt - - - - -	486,553	478,289	- -	- -	964,847	507,400	486,900
43.—Minor Works and Navigation - - -	512,471	232,689	449	141	745,750	561,500	195,500
Total - - -	1,265,043	1,038,114	449	141	2,303,747	1,356,300	1,037,600
BUILDINGS AND ROADS:							
44.—Military Works - - - - - - -	960,415	- -	6,469	2,036	968,920	1,127,700	- -
45.—Civil Works - - - - - - -	350,452	3,071,402	71,877	22,625	3,516,356	599,600	3,492,600
Total - - -	1,310,867	3,071,402	78,346	24,661	4,485,276	1,727,300	3,492,600
ARMY SERVICES:							
46.—Army: Effective - - - - - -	14,414,290	- -	1,996,069	628,305	17,038,664	13,207,900	- -
„ Non-Effective - - - - -	832,798	- -	1,693,311	533,006	3,059,115	860,800	- -
Total - - -	15,247,088	- -	3,689,380	1,161,311	20,097,779	14,068,700	- -
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL - - -	37,794,633	20,521,238	14,014,733	4,411,437	76,742,041	35,736,100	21,200,900
Add,—Portion of Allotments to Provincial Governments not spent by them in the Year - - - - - -	- -	+731,242	- -	- -	+731,242	- -	+54,800
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances	- -	—207,360	- -	- -	—207,360	- -	—632,100
TOTAL EXPENDITURE CHARGED AGAINST REVENUE - - £.	37,794,633	21,045,120	14,014,733	4,411,437	77,265,923	35,736,100	20,623,600

	ACCOUNTS, 1885-86.			
	India.	England.	Exchange.	TOTAL.
EXPENDITURE NOT CHARGED TO REVENUE:	£.	£.	£.	£.
Capital Outlay on Railways and Irrigation Works:				
47.—State Railways: *Construction* - - -	2,363,102	1,787,175	562,551	4,712,828
48.—Irrigation Works - - - - - -	553,866	6,594	2,076	562,536
TOTAL - - -	2,916,968	1,793,769	564,627	5,275,364
49.—SPECIAL DEFENCE WORKS - - -	- -	- -	- -	- -
50.—CAPITAL CHARGE INVOLVED IN REDEMPTION OF LIABILITIES.	- -	1,086,045	- -	1,086,045

* *See* foot-note to Statement, A., p. 54.

REVENUES of INDIA, in INDIA and in ENGLAND—*continued.*

Transactions in India, including those of "Exchange."] Figures nearest to 100 in columns for Estimates.

ESTIMATE, 1886-87.			Increase + Decrease — of Revised as compared with Budget Estimates, 1886-87.	BUDGET ESTIMATE, 1887-88.					Increase + Decrease — of Budget, 1887-88, as compared with Revised Estimates, 1886-87.
				India.		England.	Exchange.* 1 *s.* 5½ *d.*	TOTAL.	
England.	Exchange.* 1 *s.* 5½ *d.*	TOTAL.		Imperial.	Provincial and Local.				
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
5,350,100	1,987,400	33,950,500	— 767,300	11,161,700	15,645,100	5,576,600	2,071,300	34,454,700	+ 504,200
- -	- -	**187,900**	+ 78,700	- -	75,000	- -	- -	**75,000**	— 112,900
- -	- -	5,278,000	— 291,100	5,020,300	811,000	- -	- -	5,831,300	+ 553,300
566,000	210,200	3,189,200	+ 89,600	2,117,700	443,000	552,500	205,200	3,318,400	+ 129,200
1,677,700	623,100	2,300,800	— 300	- -	- -	1,683,000	625,100	2,308,100	+ 7,300
343,700	127,600	471,700	+ 59,300	400	- -	426,400	158,400	585,200	+ 113,500
- -	- -	607,000	+ 109,500	573,000	- -	- -	- -	573,000	— 34,000
2,697,000	1,001,700	3,709,700	+ 118,800	29,400	- -	2,700,000	1,002,900	3,732,300	+ 22,600
- -	- -	48,000	— 21,500	40,500	19,500	- -	- -	60,000	+ 12,000
- -	- -	- -	— 36,600	—	—	—	—	—	—
- -	- -	96,200	— 23,800	70,000	3,600	- -	- -	73,600	— 22,600
5,284,400	1,962,600	**15,700,600**	+ 3,900	7,851,300	1,277,100	5,361,900	1,991,600	**16,481,900**	+ 781,300
- -	- -	642,600	+ 30,900	291,700	354,200	- -	- -	645,900	+ 3,300
- -	- -	994,300	— 3,500	513,700	511,200	- -	- -	1,024,900	+ 30,600
1,800	700	759,500	+ 16,100	271,400	498,800	200	100	770,500	+ 11,000
1,800	700	**2,396,400**	+ 43,500	1,076,800	1,364,200	200	100	**2,441,360**	+ 44,900
2,200	800	1,130,700	— 24,700	1,298,100	- -	1,900	700	1,300,700	+ 170,000
87,200	32,400	4,211,800	— 82,100	691,600	3,442,800	86,100	32,000	4,252,500	+ 40,700
89,400	33,200	**5,342,500**	— 106,800	1,989,700	3,442,800	88,000	32,700	**5,553,200**	+ 210,700
1,852,400	688,000	15,748,300	+ 673,700	13,143,700	- -	1,886,200	700,600	15,730,500	— 17,800
1,794,900	666,600	3,322,300	+ 130,900	866,300	- -	1,896,000	704,200	3,466,500	+ 144,200
3,647,300	1,354,600	**19,070,600**	+ 804,600	14,010,000	- -	3,782,200	1,404,800	**19,197,000**	+ 126,400
14,373,000	5,338,500	76,648,500	+ 56,600	36,089,500	21,804,200	14,808,900	5,500,500	78,203,100	+1,554,600
- -	- -	— 577,300	+ 398,100	—	—	—	—	—	—
			- -	- -	—759,600	- -	- -	— 759,600	— 182,300
14,373,000	5,338,500	**76,071,200**	+ 454,700	36,089,500	21,044,600	14,808,900	5,500,500	**77,443,500**	+1,372,300

REVISED ESTIMATE, 1886-87.				BUDGET ESTIMATE, 1887-88.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.
3,328,300	1,344,000	499,200	5,171,500	2,435,900	1,355,000	503,300	4,294,200
625,500	4,000	1,500	631,000	700,000	- -	- -	700,000
3,953,800	1,348,000	500,700	**5,802,500**	3,135,900	1,355,000	503,300	**4,994,200**
130,300	127,500	47,400	305,200	383,700	66,300	24,600	**474,600**
- -	4,914,500	- -	**4,914,500**	—	—	—	—

C.—STATEMENT of Receipts and Disbursements other than Revenue

[£. 1 is recorded for every 10 rupees, in respect of

	ACCOUNTS, 1885-86.			REVISED ESTIMATE, 1886-87.			BUDGET ESTIMATE, 1887-88.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£.	£.	£.	£.	£.	£.	£.	£.	£.
Revenue (from Statement A.) -	74,123,574	259,074	74,382,648	75,754,200	231,600	75,985,800	77,217,700	176,800	77,394,500
Exchange added to Revenue -	81,549	- -	81,549	85,900	- -	85,900	65,700	- -	65,700
Extraordinary Receipts - -	4,196,399	- -	4,196,399	—	—	—	—	—	—
Total - - - £.	78,401,522	259,074	78,660,596	75,840,100	231,600	76,071,700	77,283,400	176,800	77,460,200
Permanent Debt Incurred :									
Sterling Debt :									
3½ per Cent. India Stock -	- -	1,086,045	- -	- -	4,914,500	—	—	—	—
3 per Cent. India Stock -	- -	2,984,986	- -	- -	5,207,500	—	—	—	—
Debenture and Debenture Stock.	—	—	—	—	—	—	—	—	—
Proposed Loan - - -	—	—	—	—	—	—	—	—	—
Rupee Debt :									
4 per Cent. Rupee Loan -	12	- -	- -	1,200,000	—	—	—	—	—
Stock Notes - - -	2,307	- -	- -	1,500	- -	- -	1,500	—	—
Miscellaneous - - -	—	—	—	—	—	—	—	—	—
Proposed Loan - - -	- -	- -	- -	- -	- -	- -	2,000,000	—	—
Total - - - £.	2,319	4,071,031	4,073,350	1,201,500	10,122,000	11,323,500	2,001,500	- -	2,001,500
Net - - - £.	- -	- -	3,584,979	- -	- -	9,737,700	- -	- -	2,000,500
Unfunded Debt :									
Temporary Loans - - -	- -	1,000,000	—	—	—	—	—	—	—
Special Loans - - -	- -	- -	- -	- -	- -	- -	3,500,000	—	—
Treasury Notes - - -	136,229	- -	- -	800	—	—	—	—	—
Deposits of Service Funds -	626,701	- -	- -	123,300	- -	- -	123,800	—	—
Savings Bank Deposits - -	3,792,745	- -	- -	5,309,500	- -	- -	3,953,300	—	—
Total - - - £.	4,555,675	1,000,000	5,555,675	5,433,600	- -	5,433,600	7,577,100	- -	7,577,100
Net - - - £.	- -	- -	0	- -	- -	710,600	- -	- -	4,213,100
Deposits and Advances :									
Balances of Provincial Allotments	731,242	- -	- -	54,800	—	—	—	—	—
Commission for the Reduction of Debt.	683,498	—	—	—	—	—	—	—	—
Excluded Local Funds - -	829,812	- -	- -	630,500	- -	- -	632,500	—	—
Political, Railway, and Military Prize Funds.	56,997	- -	- -	36,600	- -	- -	37,200	—	—
Departmental and Judicial Deposits.	16,119,429	- -	- -	14,472,800	- -	- -	14,241,300	—	—
Advances - - - -	12,249,963	3,795	- -	6,544,600	6,800	- -	6,252,500	70,900	—
Suspense Accounts - -	136,031	- -	- -	21,600	- -	- -	9,300	—	—
Exchange on Remittance Accounts, net.	1,585,806	- -	- -	1,380,200	—	—	—	—	—
Miscellaneous, - - -	40,588	250,285	- -	70,700	9,800	- -	39,100	—	—
Total - - - £.	32,433,376	254,080	32,687,456	23,211,800	16,600	23,228,400	21,211,900	70,900	21,282,800
Net - - - £.	- -	- -	3,392,767	- -	- -	628,200	- -	- -	0
Carried forward - - - £.	115,392,892	5,584,185	- -	105,687,000	10,370,200	- -	108,073,900	247,700	—

and EXPENDITURE of the GOVERNMENT of INDIA, in INDIA and in ENGLAND.

Transactions in India, including those of "Exchange."] Figures nearest to 100 in columns for Estimates.

	ACCOUNTS, 1885-86.			REVISED ESTIMATE, 1886-87.			BUDGET ESTIMATE, 1887-88.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	£.	£.	£.	£.	£.	£.	£.	£.	£.
EXPENDITURE, IMPERIAL and PROVINCIAL (from Statement B.).	58,315,871	14,014,733	72,330,604	56,937,000	14,373,000	71,310,000	57,893,700	14,808,900	72,702,600
Exchange, charged as Expenditure	4,411,437	- -	4,411,437	5,338,500	- -	5,338,500	5,500,500	- -	5,500,500
Add,—Provincial Surpluses, transferred to "Deposits."	731,242	- -	731,242	54,800	- -	54,800	—	—	—
Deduct,—Provincial Deficits charged against "Deposits."	*—207,360*	- -	*—207,360*	*—632,100*	- -	*—632,100*	*—759,600*	- -	*—759,600*
Total - - - £.	63,251,190	14,014,733	77,265,923	61,698,200	14,373,000	76,071,200	62,634,600	14,808,900	77,443,500
EXPENDITURE NOT CHARGED TO REVENUE.									
Capital Outlay on Railways and Irrigation Works.	2,916,968	1,793,769	- -	3,953,800	1,348,000	- -	3,135,900	1,355,000	—
Special Defence Works - -	- -	- -	- -	130,300	127,500	- -	383,700	66,300	—
Capital Charge involved in Redemption of Liabilities.	- -	1,086,045	- -	- -	4,914,500	—	—	—	—
Add,—Exchange on Expenditure not charged to Revenue.	564,627	- -	- -	548,100	- -	- -	527,900	—	—
Total - - - £.	3,481,595	2,879,814	6,361,409	4,632,200	6,390,000	11,022,200	4,047,500	1,421,300	5,468,800
PERMANENT DEBT DISCHARGED:									
Sterling Debt:									
East India Bonds - - -	—	—	—	—	—	—	—	—	—
India 5 per Cent. Stock - -	- -	5,000	—	—	—	—	—	—	—
India 4 per Cent. Debentures	- -	1,000	—	—	—	—	—	—	—
India 4 per Cent. Stock -	—	—	—	—	—	—	—	—	—
East Indian Railway Debentures.	—	—	—	—	—	—	—	—	—
East Indian Railway Debenture Stock.	—	—	—	—	—	—	—	—	—
Eastern Bengal Railway Debentures.	- -	200	- -	- -	409,700	—	—	—	—
Eastern Bengal Railway Debenture Stock.	—	—	—	—	—	—	—	—	—
Rupee Debt:									
4½ per Cent. Loans - - -	40,000	—	—	—	—	—	—	—	—
4 per Cent. Loans - - -	384,034	- -	- -	2,100	—	—	—	—	—
Loans under discharge - -	10,439	- -	- -	1,130,800	- -	- -	1,000	—	—
Provincial Debentures - -	- -	- -	- -	43,200	—	—	—	—	—
Stock Notes - - - -	47,698	—	—	—	—	—	—	—	—
Miscellaneous - - - -	—	—	—	—	—	—	—	—	—
Total - - - £.	482,171	6,200	488,371	1,176,100	409,700	1,585,800	1,000	- -	1,000
Net - - - £.	- -	- -	0	- -	- -	0	- -	- -	0
UNFUNDED DEBT:									
Temporary Loans - - - -	- -	1,000,000	—	—	—	—	—	—	—
Special Loans - - - -	16,953	- -	- -	200	- -	- -	200	—	—
Treasury Notes - - -	2,970,141	- -	- -	3,000	—	—	—	—	—
Deposits of Service Funds -	1,423,197	30,712	- -	70,500	- -	- -	70,700	—	—
Savings Bank Deposits - -	3,398,631	- -	- -	4,649,300	- -	- -	3,293,100	—	—
Total - - - £.	7,808,922	1,030,712	8,839,634	4,723,000	- -	4,723,000	3,364,000	- -	3,364,000
Net - - - £.	- -	- -	3,283,959	- -	- -	0	- -	- -	0
DEPOSITS AND ADVANCES:									
Balances of Provincial Allotments	207,360	- -	- -	632,100	- -	- -	759,600	—	—
Commission for the Reduction of Debt.	150	—	—	—	—	—	—	—	—
Excluded Local Funds - -	790,247	- -	- -	666,900	- -	- -	613,800	—	—
Political, Railway, and Military Prize Funds.	145,093	- -	- -	46,400	- -	- -	49,600	—	—
Departmental and Judicial Deposits.	16,052,409	- -	- -	14,443,700	- -	- -	14,210,200	—	—
Advances - - - - -	11,744,659	7,453	- -	6,686,900	8,100	- -	6,366,800	65,000	—
Suspense Accounts - - -	73,140	- -	- -	72,600	- -	- -	59,800	—	—
Exchange on Remittance Accounts (net).	- -	- -	- -	- -	- -	- -	276,500	—	—
Miscellaneous - - - -	271,078	3,100	- -	43,500	- -	- -	42,300	—	—
Total - - - £.	29,284,136	10,553	29,294,689	22,592,100	8,100	22,600,200	22,378,600	65,000	22,443,600
Net - - - £.	- -	- -	0	- -	- -	0	- -	- -	1,160,800
Carried forward - - - £.	104,308,014	17,942,012	- -	94,821,600	21,180,800	- -	92,425,700	16,295,200	—

C.—STATEMENT of RECEIPTS and DISBURSEMENTS other than REVENUE and

[£. 1 is recorded for every 10 rupees, in respect of

	ACCOUNTS, 1885–86.			REVISED ESTIMATE, 1886–87.			BUDGET ESTIMATE, 1887–88.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	£.	£.	£.	£.	£.	£.	£.	£.	£.
Brought forward - - -	115,392,892	5,584,185	- -	105,687,000	10,370,200	- -	108,073,900	247,700	—
Loans to Municipalities, Native States, &c.	307,413	- -	307,413	1,085,200	- -	1,085,200	162,600	- -	162,600
Net - - - £.	- -	- -	102,720	- -	- -	72,500	—	—	—
Capital Receipts from Railway Companies:									
On account of Subscribed Capital.	1,675	7,327,007	- -	600	1,293,600	- -	- -	5,790,100	—
Repayments - - -	1,865,766	19,406	- -	1,768,900	4,500	- -	1,396,100	—	—
Total - - - £.	1,867,441	7,346,413	9,213,854	1,769,500	1,298,100	3,067,600	1,396,100	5,790,100	7,186,200
Net - - - £.	- -	- -	4,150,924	- -	- -	0	- -	- -	0
Remittances:									
Inland Money Orders - -	9,312,382	- -	- -	10,186,800	- -	- -	11,200,000	—	—
Other Local Remittances (net)	59,591	- -	- -	9,900	- -	- -	8,500	—	—
Other Departmental Accounts	1,082,012	- -	- -	582,200	- -	- -	778,000	—	—
Net Receipts by Civil Treasuries from—									
Post Office - - - -	927,652	- -	- -	2,193,200	- -	- -	844,400	—	—
Guaranteed Railways -	4,600,937	- -	- -	3,980,300	- -	- -	3,663,500	—	—
Net Receipts from Civil Treasuries by—									
Telegraph - - - -	50,914	- -	- -	53,000	- -	- -	127,100	—	—
Marine - - - -	429,318	- -	- -	349,900	- -	- -	265,200	—	—
Military - - - -	13,589,210	- -	- -	12,701,800	- -	- -	12,769,300	—	—
Public Works - - -	5,597,820	- -	- -	6,663,600	- -	- -	5,167,200	—	—
Remittance Account between England and India.	1,848,840	1,070,194	- -	2,254,300	228,400	- -	1,193,700	153,500	—
Total - - - £.	37,498,676	1,070,194	38,568,870	38,975,000	228,400	39,203,400	36,016,900	153,500	36,170,400
Net - - - £.	- -	- -	410,512	- -	- -	1,078,300	- -	- -	0
SECRETARY OF STATE'S BILLS DRAWN.	- -	10,292,692	10,292,692	- -	12,000,000	12,000,000	- -	16,250,000	16,250,000
TOTAL RECEIPTS - - £.	155,066,422	24,293,484	- -	147,516,700	23,896,700	- -	145,640,500	22,441,300	—
Opening Balance - -	12,540,532	2,249,378	- -	12,754,478	4,726,585	- -	13,016,578	2,077,085	—
GRAND TOTAL - - £.	167,606,954	26,542,862	- -	160,271,178	28,623,285	- -	158,666,078	24,518,385	—

Fort William, Department of Finance and Commerce,
26 March 1887.

E. W. Kellner,
Deputy Comptroller General.

D.—ACCOUNT of PROVINCIAL and LOCAL SAVINGS charged to REVENUE, and held

PROVINCIAL AND

Note.—These Balances do not include the Balances

	India.	Central Provinces.	Burmah.	Assam.
ACCOUNTS, 1885–86.	£.	£.	£.	£.
Balance at end of 1884–85 (*a*) - -	8,336	348,125	30,800	77,011
Added in 1885-86 - - - - -	3,135	33,141	- - -	24,863
Spent in 1885-86 - - - - -	- - -	- - -	11,935	- - -
Balance at end of 1885-86 - - £.	11,471	381,266	18,865	101,874
REVISED ESTIMATE, 1886-87.				
Balance at end of 1885-86 (by Accounts)	11,471	381,266	18,865	101,874
Added in 1886-87 - - - - -	- - -	- - -	2,100	- - -
Spent in 1886-87 - - - - -	900	159,500	- - -	36,700
Balance at end of 1886-87 - - £.	10,571	221,766	20,965	65,174
BUDGET ESTIMATE, 1887-88.				
Balance at end of 1886-87 (by Revised Estimate).	10,571	221,766	20,965	65,174
Added in 1887-88 - - - - -	—	—	—	—
Spent in 1887-88 - - - - -	200	94,900	9,100	51,200
Balance at end of 1887-88 - - £.	10,371	126,866	11,865	13,974

(*a*) *See* Appropriation Report, Abstract D.

Fort William, Department of Finance and Commerce,
26 March 1887.

E. W. Kellner,
Deputy Comptroller General.

EXPENDITURE of the GOVERNMENT of INDIA, in INDIA and in ENGLAND—*continued.*

Transactions in India, including those of "Exchange."] Figures nearest to 100 in columns for Estimates.

	ACCOUNTS, 1885-86.			REVISED ESTIMATE, 1886-87.			BUDGET ESTIMATE, 1887-88.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	£.	£.	£.	£.	£.	£.	£.	£.	£.
Brought forward	104,308,014	17,942,012	- -	94,821,600	21,180,800	- -	92,425,700	16,295,200	—
Loans to Municipalities, Native States, &c.	204,693	- -	204,693	1,012,700	- -	1,012,700	839,800	- -	839,800
Net £.	- -	- -	0	- -	- -	0	- -	- -	677,200
Payments to Railway Companies on Capital Account:									
For discharge of Debentures	- -	285,500	- -	- -	1,417,800	- -	- -	2,017,300	—
For Expenditure	2,868,054	1,909,376	- -	3,616,200	1,678,500	- -	3,069,300	2,755,800	—
Total £.	2,868,054	2,194,876	5,062,930	3,616,200	3,096,300	6,712,500	3,069,300	4,773,100	7,842,400
Net £.	- -	- -	0	- -	- -	3,644,300	- -	- -	656,200
Remittances:									
Inland Money Orders	9,298,395	- -	- -	10,186,800	- -	- -	11,200,000	—	—
Other Local Remittances (net)	—	—	—	—	—	—	—	—	—
Other Departmental Accounts	1,672,796	- -	- -	581,700	- -	- -	778,200	—	—
Net Payments into Civil Treasuries by—									
Post Office	912,521	- -	- -	2,193,200	- -	- -	844,400	—	—
Guaranteed Railways	4,600,937	- -	- -	3,980,300	- -	- -	3,663,500	—	—
Net Issues from Civil Treasuries to—									
Telegraph	51,060	- -	- -	53,000	- -	- -	127,100	—	—
Marine	434,108	- -	- -	349,000	- -	- -	265,200	—	—
Military	13,632,496	- -	- -	12,701,800	- -	- -	12,769,300	—	—
Public Works	5,600,561	- -	- -	5,618,300	- -	- -	5,167,200	—	—
Remittance Account between England and India.	876,185	1,679,389	- -	191,000	2,269,100	- -	161,700	1,278,800	—
Total £.	36,478,969	1,679,389	38,158,358	35,856,000	2,269,100	38,125,100	34,976,600	1,278,800	36,255,400
Net £.	- -	- -	0	- -	- -	0	- -	- -	85,000
SECRETARY OF STATE'S BILLS PAID.	10,992,746	- -	10,992,746	11,948,100	- -	11,948,100	16,250,000	- -	16,250,000
TOTAL DISBURSEMENTS £.	154,852,476	21,816,277	- -	147,254,600	26,546,200	- -	147,561,400	22,347,100	—
Closing Balance	12,754,478	4,726,585	- -	13,016,578	2,077,085	- -	11,104,678	2,171,285	—
GRAND TOTAL £.	167,606,954	26,542,862	- -	160,271,178	28,623,285	- -	158,666,078	24,518,385	—

E. Gay,
Officiating Comptroller General.

J. Westland,
Officiating Secretary to the Government of India.

at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL CONTRACTS.

LOCAL BALANCES.

of Deposits and Advances upon Local Fund Accounts.

Bengal.	North Western Provinces and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
£.	£.	£.	£.	£.	£.
302,380	655,532	297,594	612,095	527,336	2,859,209
62,672	- - -	35,101	212,774	359,556	731,242
- - -	195,425	- - -	- - -	- - -	207,360
365,052	460,107	332,695	824,869	886,892	3,383,091
365,052	460,107	332,695	824,869	886,892	3,383,091
- - -	- - -	- - -	52,700	- - -	54,800
82,200	139,900	22,400	- - -	190,500	632,100
282,852	320,207	310,295	877,569	696,392	2,805,791
282,852	320,207	310,295	877,569	696,392	2,805,791
—	—	—	—	—	—
124,100	170,000	85,600	40,800	183,700	759,600
158,752	150,207	224,695	836,769	512,692	2,046,191

E. Gay,
Officiating Comptroller General.

J. Westland,
Officiating Secretary to the Government of India.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—ENGLAND and INDIA.

NET REVENUE.

	ACCOUNTS, 1885-86.				
	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
	£.	£.	£.	£.	£.
Land Revenue	22,592,371	47,772	22,544,599	3,414,292	19,130,307
Opium	8,942,515	216	8,942,299	3,057,674	5,884,625
Salt	6,345,128	27,315	6,317,813	401,618	5,916,195
Stamps	3,663,174	45,449	3,617,725	147,970	3,469,755
Excise	4,152,136	26,099	4,126,037	124,372	4,001,665
Provincial Rates	2,960,315	5,600	2,954,715	47,057	2,907,658
Customs	1,199,976	32,406	1,167,570	130,719	1,036,851
Assessed Taxes	503,034	17,763	485,271	12,471	472,800
Forest	1,086,092	2,544	1,083,548	680,988	402,560
Registration	308,006	1,007	306,999	185,406	121,593
Tributes from Native States	689,578	3	689,575	- -	689,575
	52,442,325	206,174	52,236,151	8,202,567	44,033,584
Deduct,—Assignments and Compensations	- -	- -	- -	- -	1,396,537
TOTAL NET REVENUE £.	- -	- -	- -	- -	42,637,047

NET EXPENDITURE.

	ACCOUNTS, 1885-86.		
	Gross Expenditure.	Receipts.	Net Expenditure.
	£.	£.	£.
Interest	4,330,861	698,982	3,631,879
Post Office, Telegraph, and Mint	2,292,961	1,965,860	327,101
Civil Departments	12,243,689	1,427,406	10,816,283
Miscellaneous Civil Charges	4,634,598	1,077,809	3,556,789
Famine Relief and Insurance	1,500,000	- - -	1,500,000
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	632,055	- - -	632,055
Railways Revenue Account	14,415,797	13,684,084	731,719
Irrigation	2,303,747	1,588,278	715,469
Buildings and Roads	4,485,276	615,581	3,869,695
Army Services	20,097,779	963,872	19,133,907
	66,936,763	22,021,872	44,914,891
	Surplus.	Deficit.	
Provincial and Local Surpluses and Deficits	+ 731,242	— 207,360	+ 523,882
TOTAL NET EXPENDITURE £.	- - -	- - -	45,438,773
Surplus (+) or Deficit (—)	- - -	- - -	— 2,801,726
			42,637,047

Fort William, Department of Finance and Commerce,
26 March 1887.

E. W. Kellner,
Deputy Comptroller General.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—ENGLAND and INDIA.

NET REVENUE.

Rs. 10 = £. 1. Figures to nearest 100.

REVISED ESTIMATE, 1886-87.					BUDGET ESTIMATE, 1887-88.				
Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
22,610,500	37,800	22,572,700	3,515,600	19,057,100	22,937,600	44,600	22,893,000	3,668,800	19,224,200
8,898,900	200	8,898,700	2,785,300	6,113,400	8,893,300	400	8,892,900	2,506,100	6,386,800
6,538,600	29,500	6,509,100	483,100	6,026,000	6,604,600	28,300	6,576,300	469,100	6,107,200
3,721,100	48,100	3,673,000	148,000	3,525,000	3,716,200	44,900	3,671,300	177,800	3,493,500
4,265,600	29,200	4,236,400	117,600	4,118,800	4,225,400	24,800	4,200,600	118,900	4,081,700
2,943,600	5,600	2,938,000	47,000	2,891,000	2,957,500	4,400	2,953,100	47,200	2,905,900
1,211,900	30,300	1,181,600	133,400	1,048,200	1,232,700	30,600	1,202,100	135,100	1,067,000
1,348,100	24,900	1,323,200	52,700	1,270,500	1,406,000	20,700	1,385,300	33,600	1,351,700
1,138,600	2,800	1,135,800	736,000	399,800	1,130,700	2,600	1,128,100	737,600	390,500
297,900	1,000	296,900	185,400	111,500	302,700	900	301,800	186,600	115,200
690,900	- -	690,900	- -	690,900	722,000	- -	722,000	- -	722,000
53,665,700	209,400	53,456,300	8,204,100	45,252,200	54,128,700	202,200	53,926,500	8,080,800	45,845,700
- -	- -	- -	- -	1,372,500	- -	- -	- -	- -	1,367,600
- -	- -	- -	- -	43,879,700	- -	- -	- -	- -	44,478,100

NET EXPENDITURE.

REVISED ESTIMATE, 1886-87.			BUDGET ESTIMATE, 1887-88.		
Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.
£.	£.	£.	£.	£.	£.
4,307,700	680,900	3,626,800	4,412,200	686,500	3,725,700
2,171,800	1,976,700	195,100	2,261,500	2,025,300	236,200
12,650,100	1,454,200	11,195,900	13,179,700	1,425,300	11,754,400
4,723,000	831,400	3,891,600	4,856,200	1,177,000	3,679,200
311,900	- - -	311,900	94,500	- - -	94,500
187,900	- - -	187,900	75,000	- - -	75,000
15,700,600	14,266,900	1,433,700	16,481,900	14,892,500	1,589,400
2,396,400	1,594,800	801,600	2,441,300	1,688,000	753,300
5,342,500	690,800	4,651,700	5,553,200	539,500	5,013,700
19,070,600	910,300	18,160,300	19,197,000	897,400	18,299,600
66,862,500	22,406,000	44,456,500	68,552,500	23,331,500	45,221,000
Surplus. + 54,800	Deficit. — 632,100	— 577,300	- - -	Deficit. — 759,600	— 759,600
- - -	- - -	43,879,200	- - -	- - -	44,461,400
- - -	- - -	+ 500	- - -	- - -	+ 16,700
- - -	- - -	43,879,700	- - -	- - -	44,478,100

E. Gay,
Officiating Comptroller General.

J. Westland,
Officiating Secretary to the Government of India.

APPENDIX II.

CONTENTS:

		PAGES
TABLE I.	Miscellaneous	68
„ II.	Sea-borne Trade for the Year	70
„ III.	Sea-borne Trade for the first Ten Months of the Year	71
„ IV.	Wholesale Prices of Typical Commodities in Gold and Silver in London and Calcutta in December in each Year	74
„ V.	Statement showing the true Financial Results to the Revenues of India of the Guarantee of Interest upon the Capital of Guaranteed Railway Companies, excluding the East Indian Railway Company	75
„ VI.	Actual Capital Expenditure on State Railways in 1885-86, and Estimated Expenditure on such Works in 1886-87, and 1887-88, and to end of 1887-88	76
„ VII.	Capital Expenditure on Irrigation—Major Works, in 1885-86, and Estimated Expenditure on such Works in 1886-87, 1887-88, and to the end of 1887-88, &c.	78
„ VIII.	Gross Receipts, Working Expenses, and Net Traffic Receipts of Guaranteed and State Railways for Five Years ending 1885-86, with Revised Estimates for 1886-87, and Budget Estimates for 1887-88	79
„ IX.	Gross Earnings, Working Expenses, and Net Earnings of Irrigation—Major Works, for Five Years ending 1885-86, with Revised Estimate for 1886-87, and Budget Estimate for 1887-88	81
„ X.	Abstract of Budget Estimates of Capital Transactions of Guaranteed and Subsidised Railways, 1886-87 and 1887-88	83

APPENDIX II.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1878-79.	1879-80.	1880-81.	
	£.	£.	£.	
Deficit of recorded Revenue compared with whole recorded Expenditure.	2,337,507	4,547,279	7,700,644	1
Capital Expenditure on Public Works not charged against Revenue.	4,381,898	3,364,330	3,656,505	2
Recorded Revenue compared with the recorded Expenditure, excluding Capital Expenditure on Public Works not charged against Revenue:				
Surplus	2,044,391			3
Deficit		1,182,949	4,044,139	4
Net Public Debt incurred	4,199,268	*5,105,160	5,679,815	5
Net Public Debt incurred, including capital transactions with Guaranteed Railway and other Companies.	3,209,100	5,356,708	5,339,444	6
Value of commodities exported, excluding Gold and Silver	60,937,000	67,212,000	74,581,000	7
Value of commodities imported, excluding Gold and Silver	37,800,000	41,166,000	53,117,000	8
Excess of Exports over Imports, excluding Gold and Silver	23,137,000	26,046,000	21,464,000	9
Net Imports of Gold	(Exports)896,000	1,750,000	3,655,000	10
Net Imports of Silver	3,970,000	7,870,000	3,893,000	11
TOTAL Net Imports of Gold and Silver	3,074,000	9,620,000	7,548,000	12
Excess of Exports over Imports, including Gold and Silver	20,063,000	16,426,000	13,916,000	13
Grand Total Value of Imports and Exports of all kinds	109,777,000	122,069,000	138,126,000	14
	Rs.	*Rs.*	*Rs.*	
Secretary of State's Bills sold (rupees)	18,78,21,000	18,95,71,000	18,32,77,000	15
	£.	£.	£.	
Sterling equivalent received	†15,465,000	‡15,749,000	15,239,677	16
Silver coined at the Indian Mints	7,210,770	10,257,093	4,249,676	17
Gold coined in Germany	5,475,340	1,509,877	—	18
Silver coined in Germany	88,498	—	—	19
Maximum price of an oz. Troy standard silver in London	54¼ *d.* (2nd April)	53⅜ *d.* (Nov.)	52 13/16 (July)	20
Minimum - - ditto - - ditto	48½ *d.* (21st Dec.)	49⅛ *d.* (April)	51 (Jan.)	21
	Rs. a.	*Rs. a.*	*Rs. a.*	
Maximum price of a sovereign in Calcutta	12 11 (March)	12 11 (May)	12 6 throughout the year.	22
Minimum - - ditto - - ditto	11 11 (11th June)	11 15 (Jan.)		23
Average exchange upon Secretary of State's Bills sold per rupee	1*s.* 7·761 *d.*	1*s.* 7·94 *d.*	1*s.* 7·956 *d.*	24
Fixed rate of exchange for the adjustment of transactions between the Indian and Imperial Treasuries.	1*s.* 9*d.*	1*s.* 7½ *d.*	1*s.* 8⅛ *d.*	25
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta.	9 (1st April)	9 (April)	7 (April)	26
Minimum - - ditto - - ditto	3 (7th Nov.)	3 (Jan.)	3 (Nov. to Jan.)	27
Maximum rate of discount at the Bank of England	6 (Oct. and Nov.)	3 (April to Oct.)	3 (April)	28
Minimum - - ditto - - ditto	2½ (30th May)	2 (Nov. to Feb.)	2½	29
	£.	£.	£.	
Maximum Money Balances of the three Presidency Banks	6,978,500 (July)	7,733,500 (Feb.)	7,472,500 (Feb.)	30
Minimum - - ditto - - ditto	4,589,300 (Jan.)	4,150,400 (April)	4,442,700 (March)	31
Maximum price in Calcutta of Government 4 per cent. Rupee Securities.	97 (July and Aug.)	95¾ (July)	102½ (March)	32
Minimum - - ditto - - ditto	91⅞ (March)	91⅓ (May)	93·10 (May)	33
	£.	£.	£.	
Maximum amount outstanding on London Register of Rupee Securities enfaced for interest drafts.	15,950,002 (Feb.)	19,431,239 (Mar.)	19,739,473 (June)	34
Minimum - - ditto - - ditto	13,826,493 (Oct.)	15,908,182 (May)	18,719,445 (Jan.)	35
Maximum price in London of 4 per cent. Securities (in gold)	81¾ (1st April)	80⅞ (Oct.)	84¼ (Feb.)	36
Minimum - - ditto - - ditto	72 (23rd Oct.)	71½ (May)	78 (May)	37
Maximum price in London of Secretary of State's 4 per cent. Sterling Bonds.	104½ (July and Aug.)	105½	105¾ (Jan.)	38
Minimum - - ditto - - ditto	97 (Oct.)	100⅝	101 (Sept.)	39
	£.	£.	£.	
Maximum Government Paper Currency outstanding	14,584,900 (Sept.)	14,329,700 (Jan.)	14,513,100 (Dec.)	40
Minimum - - ditto - - ditto	11,423,600 (March)	11,113,800 (June)	12,528,400 (April)	41
Number of Savings Banks	838	371	388	42
Number of Depositors in Savings Banks	84,508	91,288	107,778	43
	£.	£.	£.	
Amount deposited in Savings Banks	1,912,401	2,282,823	3,213,671	44
Average of each deposit	22	25	29	45
Net addition to deposits	12,984 (Decrease)	370,422	930,848	46
	Frs.	*Frs.*	*Frs.*	
Cash Reserve at the Bank of France in December of each year, in 000's of francs.	2,041,700	1,979,017	1,786,873	47
Silver - - ditto - - ditto	1,058,100	1,220,501	1,222,604	48
Per-centage of Silver on the Total Reserve	52	62	68	49

* Exclusive of 9,730,862 *l.*, debt incurred for the purchase of the East Indian Railway.
† Includes 1,516,193 *l.*, amount remitted by Bills of Exchange on India.
‡ Includes 486,947 *l.*, Gold Remittances from India.

APPENDIX II.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1881–82.	1882–83.	1883–84.	1884–85.	1885–86.	1886–87.	1887–88.
	£.	£.	£.	£.	£.	£. Revised Estimate.	£. Budget Estimate.
1	728,696	3,943,265	2,604,533	5,542,633	8,077,090	6,107,200	5,452,100
2	3,311,423	4,649,898	3,992,029	5,392,898	5,275,364	6,107,700	5,468,800
3	2,582,727	706,633	1,387,496	—	—	500	16,700
4	—	—	—	149,735	2,801,726	—	—
5	—466,636	2,509,150	3,062,953	1,193,924	3,584,979	9,737,700	2,000,500
6	—773,867	4,165,769	2,219,364	801,966	7,735,903	6,092,800	1,344,300
7	81,968,000	83,485,000	88,176,000	83,255,000	83,881,000	—	—
8	49,113,000	52,096,000	55,279,000	55,703,000	55,656,000	—	—
9	32,855,000	31,389,000	32,897,000	27,552,000	28,225,000	—	—
10	4,844,000	4,931,000	5,463,000	4,672,000	2,763,000	—	—
11	5,379,000	7,480,000	6,405,000	7,246,000	11,607,000	—	—
12	10,223,000	12,411,000	11,868,000	11,918,000	14,370,000	—	—
13	22,632,000	18,978,000	21,029,000	15,634,000	13,855,000	—	
14	143,504,000	150,076,000	157,344,000	154,817,000	156,123,000	—	
	Rs.	Rs.	Rs.	Rs.	Rs.		
15	22,21,09,350	18,58,56,593	21,62,15,462	17,10,22,119	13,53,25,369	—	
	£.	£.	£.	£.	£.		
16	§18,412,429	15,120,521	17,599,805	13,758,909	10,292,692	—	
17	2,186,275	6,508,457	3,663,400	5,794,200	10,285,566	—	
18	—	—	—	—	—	—	
19	—	—	—	—	—	—	
20	52½	52 7/16 (June)	51 5/16 (Feb.)	51 (April)	50 3/16 (May)	47 (Nov.)	
21	50 7/8 (July)	50 (Dec.)	50 1/16 (May and June).	48 7/8 (Feb.)	46 7/16 (Jan.)	42 (Aug.)	
22	Rs. a. p. 12 6 4 throughout.	—	—	—	—	—	
23							
24	1 s. 7·895 d.	1 s. 7·525 d.	1 s. 7·536 d.	1 s. 7·308 d.	1 s. 6·2541241 d.	1 s. 5½ d.	1 s. 5½ d
25	1 s. 8 d.	1 s. 8 d.	1 s. 7¾ d.	1 s. 7½ d.	1 s. 7¼ d.	1 s. 6¼ d.	1 s. 6 d.
26	9 (Feb.)	10 (April)	9 (Mar.)	11 (April and May)	9 (May)	8 (June)	
27	4 (June)	4 (Sept.)	5	3 (Nov. and Dec.)	4 (From July to Jan.)	5 (Nov. to Jan.)	
28	6 (Feb.)	5 (Sept.)	4	5 (Nov., Dec. & Jan.)	4 (Dec.)	5 (Dec.)	
29	2½ throughout first half-year.	3 (March)	3	2 (June to Sept.)	2 (May to Nov.)	2 (April & May)	
	£.	£.	£.	£.	£.	£.	
30	6,097,600 (July)	6,712,300 (Oct.)	5,556,700 (Aug.)	5,731,200 (Nov.)	6,486,800 (Dec.)	5,225,600 (Sept.)	
31	3,546,700 (Dec.)	3,424,200 (April)	3,167,100 (Jan.)	2,991,900 (May)	3,638,800 (May)	3,556,700 (May)	
32	106-6 (July)	102-4 (Feb.)	101-1 (April)	101-12 (June)	99-14 (July)	98-1 (Sept.)	
33	99-8 (Aug.)	99 (Oct.)	98-8 (Feb.)	94-12 (Mar.)	91-12 (May)	95 (Feb.)	
	£.	£.	£.	£.	£.	£.	
34	21,525,400 (Feb.)	21,420,700 (Feb.)	21,405,500 (May)	21,008,000 (May)	20,562,400 (April)	** 19,709,000 (Oct.)	
35	19,013,600 (April)	21,059,000 (Aug.)	20,626,200 (Aug.)	20,594,300 (Feb.)	19,179,300 (Jan.)	** 19,264,800 (Feb.)	
36	87 (July)	85 7/16 (May)	81 7/8 (April)	82½ (May)	78½ (July)	73½ (Nov.)	
37	82½ (Sept.)	79½ (Dec.)	77¼ (Jan.)	74 (Mar.)	71¾ (Jan.)	65⅝ (Aug.)	
38	106⅝ (July)	105 (Jan.)	103⅜ (Jan.)	104½ (Aug.)	103¾ (Feb.)	—	
39	103⅜ (Sept.)	102½ (Oct.)	101½ (Sept.)	98 (Mar.)	97½ (April)	—	
	£.	£.	£.	£.	£.		
40	14,422,600 (Sept.)	16,412,200 (Dec.)	14,517,800 (Nov.)	15,762,700 (Nov.)	15,713,500 (Oct.)	14,678,200 (Nov.)	
41	12,692,200 (April)	13,534,700 (April)	12,023,300 (Feb.)	12,342,500 (April)	13,017,900 (April)	13,779,400 (April)	
42	372	349	354	360	¶ 364	—	
43	114,942	109,349	119,053	120,438	¶ 107,874	—	
	£.	£.	£.	£.	£.		
44	3,272,649	3,356,247	3,273,242	3,358,203	¶ 2,798,659	—	
45	28	30	27	28	¶ 26	—	
46	58,978	83,598	—83,005	+80,996	— 559,544	—	
	Frs.						
47	1,817,164	—	—	—	—	—	
48	1,161,468	—	—	—	—	—	
49	64	—	—	—	—	—	

§ Includes 85,000 *l.* Hong Kong Bills.
‖ Includes 250,000 *l.* Hong Kong Bills.
¶ Excludes Post Office Banks and Civil Engineers' Provident Fund.
** Eleven months' figures.

APPENDIX II.—*continued.*

TABLE II.—SEA-BORNE TRADE for the YEAR. (Principal ARTICLES arranged in Order of their DECLARED VALUE.)

No.	EXPORTS.		1881-82.	1882-83.	1883-84.	1884-85.	1885-86.
1	Cotton—						
	Raw:						
	Quantity	*Cwt.*	5,627,453	6,168,278	5,979,494	5,066,057	4,189,718
	Value	£.	14,935,959	15,049,017	14,383,728	13,286,367	10,777,204
	Average declared value per lb. — *Annas*		*As.* 3 9	*As.* 3 9	*As.* 3 5	*As.* 3 9	*As.* 3 8
	Average declared value per lb. — *Pence, at average exchange*		4·66	4·58	4·17	4·53	4·18
	Twist and Yarn:						
	Quantity	*Lbs.*	30,786,304	45,378,040	49,876,606	65,897,183	78,241,771
	Value	£.	1,368,836	1,816,818	1,926,162	2,441,101	2,755,252
	Average declared value per lb.	*Annas*	*As.* 7 1	*As.* 6 5	*As.* 6 2	*As.* 5 11	*As.* 5 8
	Other manufactures:						
	Value	£.	641,680	761,564	927,008	896,929	880,258
	Average declared value per yard — Grey or unbleached	*Annas*	*As.* 2 –	*As.* 1 10	*As.* 1 9	*As.* 1 9	*As.* 1 9
	Average declared value per yard — Coloured, printed, or dyed	„	*As.* 5 1	*As.* 4 10	*As.* 4 7	*As.* 4 10	*As.* 3 9
	Percentage of manufactures on whole value exported	–	11·86	13·84	16·55	20·08	25·22
2	Opium:						
	Quantity	*Chests*	89,338	91,798	91,963	86,578	87,956
	Value	£.	12,432,142	11,481,376	11,294,460	10,882,606	10,735,518
	Average declared value per chest, in rupees	*Rupees*	1,392	1,251	1,228	1,257	1,221
3	Seeds:						
	Quantity	*Cwt.*	10,466,098	13,139,206	17,355,598	18,250,688	17,280,147
	Value	£.	6,054,099	7,200,336	10,083,758	10,745,203	9,948,350
	Average declared value of linseed, per cwt. — *Rupees*		5 13 7	5 3 10	5 5 10	5 9 10	5 13 1
	Average declared value of linseed, per cwt. — *Shillings, at average exchange*		9·70	8·52	8·73	9·03	8·85
4	Rice and Paddy:						
	Quantity	*Cwt.*	28,888,421	31,258,286	27,039,859	22,051,532	28,222,595
	Value	£.	8,368,167	8,476,327	8,362,080	7,192,198	9,247,126
	Average declared value of husked rice, per cwt. — *Rupees*		2 14 5	2 11 6	3 1 8	3 4 6	3 4 9
	Average declared value of husked rice, per cwt. — *Shillings, at average exchange*		4·79	4·42	5·05	5·28	5·01
5	Wheat:						
	Quantity	*Cwt.*	19,863,520	14,144,407	20,956,495	15,830,754	21,060,519
	Value	£.	8,604,081	6,068,934	8,877,561	6,309,140	8,002,350
	Average declared value per cwt. — *Rupees*		4 5 4	4 4 8	4 3 9	3 15 9	3 12 9
	Average declared value per cwt. — *Shillings, at average exchange*		7·18	6·98	6·89	6·41	5·78
6	Jute:						
	Raw and manufactured—Value	£.	6,127,891	7,334,757	5,926,780	6,205,238	5,486,171
	Average declared value of raw jute per cwt. — *Rupees*		6 11 2	5 10 5	6 8 8	5 9 1	5 9 6
	Average declared value of raw jute per cwt. — *Shillings, at average exchange*		11·11	9·19	10·65	8·96	8·50
	Percentage of manufactures on whole value exported	–	17·91	20·98	22·51	24·88	20·61
7	Hides and Skins:						
	Quantity	*No.*	24,796,719	26,534,068	28,153,063	29,164,677	32,376,309
	Value	£.	3,948,792	4,443,770	4,663,736	4,934,340	5,334,602
	Percentage of dressed or manufactured on whole value	–	48·60	49·97	46·90	42·67	43·91
8	Tea:						
	Quantity	*Lbs.*	48,691,725	57,766,225	59,911,703	64,162,055	68,784,249
	Value	£.	3,609,136	3,699,496	4,083,880	4,044,759	4,306,133
	Average declared value per lb. — *Annas*		*As.* 11 10	*As.* 10 3	*As.* 10 11	*As.* 10 1	*As.* 10 –
	Average declared value per lb. — *Shillings, at average exchange*		1·23	1·04	1·11	1·01	·95
9	Indigo:						
	Quantity	*Cwt.*	150,363	141,041	168,590	154,629	132,495
	Value	£.	4,509,080	3,912,997	4,640,991	4,068,900	3,783,160
	Average declared value per cwt. — *Rupees*		299 14 1	277 7 –	275 4 6	263 2 3	285 8 6
	Average declared value per cwt. — *Sterling, at average exchange*	£.	24·86	22·57	22·40	21·17	21·72
10	Coffee:						
	Quantity	*Cwt.*	346,304	353,324	340,025	328,317	371,027
	Value	£.	1,447,465	1,392,204	1,438,863	1,245,506	1,348,395
	Average declared value per cwt. — *Rupees*		41 12 8	39 6 5	42 5 1	37 15 –	36 5 6
	Average declared value per cwt. — *Shillings, at average exchange*		69·29	64·11	68·87	61·05	55·28
11	Wool:						
	Raw and manufactured—Value	£.	1,011,234	948,755	876,541	831,919	953,069
	Average declared value of raw wool per lb. — *Annas*		*As.* 6 –	*As.* 5 10	*As.* 6 –	*As.* 6 –	*As.* 6 –
	Average declared value of raw wool per lb. — *Pence, at average exchange*		7·46	7·12	7·32	7·24	6·85
12	Silk:						
	Raw and manufactured—Value	£.	609,880	820,719	913,345	792,354	661,835
	Average declared value of raw silk per lb. — *Rupees*		3 7 7	4 – 2	3 14 8	2 15 4	2 4 11
	Average declared value of raw silk per lb. — *Shillings, at average exchange*		5·76	6·52	6·37	4·76	3·51
13	Lac:						
	Value	£.	719,528	699,016	556,739	599,390	588,286
14	Teak Wood:						
	Quantity	*Cubic Tons*	56,377	59,187	46,471	47,556	50,076
	Value	£.	506,792	611,260	525,447	532,129	550,515
	Average declared value per cubic ton — *Rupees*		89 14 4	103 4 5	113 1 1	111 14 4	109 15 –
	Average declared value per cubic ton — *Sterling, at average exchange*	£.	7·45	8·40	9·20	9·00	8·36
15	Sugar:						
	Value	£.	598,232	808,776	943,218	546,069	525,412
16	Oils:						
	Value	£.	468,227	416,277	495,977	534,041	395,563
17	Saltpetre:						
	Quantity	*Cwt.*	354,860	399,565	491,668	451,917	402,174
	Value	£.	359,437	388,766	464,410	425,000	376,200
	Average declared value per cwt. — *Rupees*		10 2 1	9 11 8	9 7 2	9 6 6	9 3 3
	Average declared value per cwt. — *Shillings, at average exchange*		16·80	15·83	15·36	15·14	14·00

APPENDIX II.—*continued.*

TABLE II.—Sea-borne Trade for the Year, &c.—*continued.*

No.	IMPORTS.	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.
1	Cotton—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	40,763,209	44,859,383	45,379,516	45,801,397	45,916,126
	Value - - - - - - - - - £.	3,222,252	3,378,220	3,465,968	3,360,540	3,172,178
	Average declared value per lb. { *Annas* - - - - -	12·65	12·05	12·22	11·74	11·05
	{ *Pence, at average exchange* - -	1 *s.* 3·73 *d.*	1 *s.* 2·70 *d.*	1 *s.* 2·92 *d.*	1 *s.* 2·17 *d.*	1 *s.* 0·60 *d.*
	Other Manufactures:					
	Value - - - - - - - - - £.	20,777,985	21,442,372	21,651,392	21,207,106	21,124,848
	TOTAL COTTON GOODS—Gross Imports - £.	24,000,237	24,820,592	25,117,360	24,567,646	24,297,026
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	*747,429*	*862,918*	*1,344,396*	*958,419*	*1,082,610*
	Value - - - - - - - - - £.	*51,901*	*57,645*	*86,857*	*65,516*	*66,803*
	Other Manufactures:					
	Value - - - - - - - - - £.	*1,272,869*	*1,331,582*	*1,399,010*	*1,183,088*	*1,368,715*
	Total Re-exports - £.	*1,324,770*	*1,389,227*	*1,485,867*	*1,248,604*	*1,435,018*
	TOTAL COTTON GOODS—Net Imports - £.	22,675,467	23,431,365	23,631,493	23,319,042	22,862,008
2	Metals - - - - - - - - - *Value* £.	3,585,491	4,831,492	5,380,181	4,978,577	4,986,307
3	Railway plant and rolling stock - - - - „	2,241,695	2,028,349	2,870,042	2,830,082	4,317,565
4	Silk (Raw and Manufactured) - - - - „	1,960,916	2,051,923	2,170,923	2,020,917	1,830,960
5	Woollen Manufactures - - - - - „	1,276,263	1,076,388	1,372,403	1,326,669	1,463,023
6	Sugar - - - - - - - - - „	1,243,758	1,086,961	1,148,370	2,140,838	1,458,097
7	Liquors - - - - - - - - - „	1,490,526	1,473,742	1,554,819	1,360,280	1,387,143
8	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - - - - - - *Tons*	628,738	638,304	681,244	713,972	770,517
	Value - - - - - - - - - £.	992,081	1,012,208	1,104,788	1,199,739	1,249,710
	Average declared value per ton { *Rupees* - - - - -	15·78	15·86	16·22	16·80	16·22
	{ *Shillings, at average exchange* - -	26·16	25·81	26·40	27·03	24·67
9	Provisions - - - - - - - - *Value* £.	1,053,083	1,087,186	1,033,932	1,103,321	1,191,881
10	Machinery and mill-work - - - - - „	1,265,672	1,391,660	1,839,816	1,570,824	1,057,833
11	Oils - - - - - - - - - „	560,585	1,050,897	654,228	1,229,497	961,130
12	Apparel - - - - - - - - - „	672,087	796,633	909,084	890,923	956,097
13	Spices - - - - - - - - - „	507,138	510,854	557,109	602,165	718,678
14	Salt:					
	Quantity - - - - - - - - - *Tons*	357,224	338,065	383,090	412,839	363,088
	Value - - - - - - - - - £.	569,067	515,184	623,011	649,233	596,048
	Average declared value per ton - { *Rupees* - - - - -	15·93	15·24	16·26	15·73	16·42
	{ *Shillings, at average exchange* - -	26·41	24·80	26·46	25·31	24·97

TABLE III.—SEA-BORNE TRADE for the first TEN MONTHS of the Year. (Principal ARTICLES arranged in Order of their DECLARED VALUE.)

	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.
	£.	£.	£.	£.	£.
Value of commodities Exported, excluding gold and silver	65,843,136	71,852,316	66,818,681	66,508,751	70,679,304
Value of commodities Imported, excluding gold and silver	43,690,335	46,379,559	46,718,204	45,867,724	50,890,136
EXCESS EXPORTS - - - £.	22,152,801	25,472,757	20,100,477	20,641,027	19,789,168
Net Imports of silver - - - - - - - -	6,798,851	4,251,775	5,618,909	9,378,812	5,254,904
Net Imports of gold - - - - - - - -	4,394,654	4,815,829	4,501,665	2,267,442	1,358,436
TOTAL NET IMPORTS of Gold and Silver - - £.	11,193,505	9,067,604	10,120,574	11,646,254	6,613,340
GRAND TOTAL IMPORTS AND EXPORTS OF ALL KINDS - - - - - £.	122,416,665	129,050,361	127,002,903	126,105,330	131,495,136

APPENDIX II.—*continued.*

TABLE III.—Sea-borne Trade for the first Ten Months of the Year, &c.—*continued.*

No.	EXPORTS.	TEN MONTHS, 1ST APRIL TO 31ST JANUARY.				
		1882-83.	1883-84.	1884-85.	1885-86.	1886-87.
1	Cotton, Raw:					
	Quantity - - - - *Cwts.*	4,651,431	4,595,435	4,112,165	2,832,544	3,956,404
	Value - - - - - £.	12,242,440	11,010,168	10,813,138	7,460,378	9,846,248
	Average value per lb. - - *Rs.*	- 3 9	- 3 5	- 3 9	- 3 9	- 3 7
	Cotton Manufactures—					
	Twist and Yarn:					
	Quantity - - - - *Lbs.*	38,178,298	41,658,492	54,767,258	64,248,483	76,306,559
	Value - - - - - £.	1,534,742	1,608,689	2,038,178	2,256,315	2,752,505
	Average value per lb. - *Rs.*	- 6 5	- 6 2	- 5 11	- 5 7	- 5 9
	Other Manufactures—Value - - £.	629,720	764,580	717,264	736,442	801,461
	TOTAL COTTON (Raw and Manufactured) £.	14,406,902	13,383,437	13,568,580	10,453,185	13,400,214
2	Opium:					
	Quantity - - - - *Chests*	75,792	77,268	72,216	72,904	80,522
	Value - - - - - £.	9,531,439	9,468,546	9,086,327	8,920,583	9,348,393
	Average value per chest - *Rs.*	1,257 9 3	1,225 6 8	1,258 3 5	1,223 9 9	1,160 15 7
3	Seeds:					
	Quantity - - - - *Cwts.*	11,161,413	14,934,380	15,195,625	15,053,887	14,181,032
	Value - - - - - £.	6,052,491	8,598,302	8,883,008	8,589,326	8,190,089
	Average value per cwt. - *Rs.*	5 6 9	5 12 1	5 13 6	5 11 3	5 12 5
4	Wheat:					
	Quantity - - - - *Cwts.*	11,827,496	19,479,869	13,097,578	19,416,817	21,172,292
	Value - - - - - £.	5,089,329	8,220,783	5,271,635	7,372,542	8,171,651
	Average value per cwt. - *Rs.*	4 4 10	4 3 6	4 - 5	3 12 9	3 13 9
5	Rice and Paddy:					
	Quantity - - - - *Cwts.*	19,496,126	17,533,512	12,883,218	16,970,848	15,350,284
	Value - - - - - £.	5,295,699	5,351,960	4,486,014	5,679,508	5,357,245
	Average value per cwt. - *Rs.*	2 11 5	3 - 10	3 7 9	3 5 7	3 7 10
6	Jute (Raw and Manufactured)—Value £.	5,972,915	4,995,786	5,404,182	4,410,018	4,622,828
7	Tea:					
	Quantity - - - - *Lbs.*	51,304,426	55,085,039	58,361,667	63,887,783	73,339,027
	Value - - - - - £.	3,295,322	3,768,115	3,699,835	4,000,751	4,417,878
	Average value per lb. - - *Rs.*	- 10 3	- 10 11	- 10 2	- 10 -	- 9 8
8	Hides and Skins:					
	Quantity - - - - *Cwts.*	699,590	734,434	774,187	833,456	784,885
	Value - - - - - £.	3,561,480	3,768,614	3,827,329	4,095,575	4,107,872
	Average value per cwt. - *Rs.*	50 14 6	51 5 -	49 7 -	49 2 3	52 5 5
9	Indigo:					
	Quantity - - - - *Cwts.*	109,609	143,141	113,007	109,578	98,786
	Value - - - - - £.	3,061,912	3,989,208	3,011,763	3,167,612	2,613,545
	Average value per cwt. - *Rs.*	279 5 7	278 11 1	266 8 2	289 1 2	264 9 1
10	Coffee:					
	Quantity - - - - *Cwts.*	221,811	193,728	206,220	211,407	245,331
	Value - - - - - £.	849,037	792,383	745,514	726,344	879,689
	Average value per cwt. - *Rs.*	38 4 5	40 14 5	36 2 5	34 5 9	35 13 9
11	Wool (Raw and Manufactured)—Value £.	803,094	749,311	701,724	747,306	857,616
12	Silk (Raw and Manufactured)—Value £.	633,368	782,498	651,515	535,157	627,147
13	Sugar - - - - - - - £.	732,547	891,626	531,412	457,191	449,101
14	Lac - - - - - - - £.	543,035	466,009	464,958	470,078	394,138
15	Oils - - - - - - - £.	326,699	377,477	407,750	317,164	377,426
16	Saltpetre:					
	Quantity - - - - *Cwts.*	339,392	399,985	350,522	349,290	322,155
	Value - - - - - £.	329,377	380,531	332,259	320,149	302,314
	Average value per cwt. - *Rs.*	9 11 3	9 8 3	9 7 8	9 2 8	9 6 2
17	Teak:					
	Quantity - - - *Cubic Tons*	47,367	35,328	40,498	45,508	18,227
	Value - - - - - £.	481,936	396,684	454,285	503,006	171,868
	Average value per cubic ton - *Rs.*	101 11 11	112 4 7	112 2 10	110 8 6	94 4 8

APPENDIX II.—*continued.*

TABLE III.—Sea-borne Trade for the first Ten Months of the Year, &c.—*concluded.*

No.	IMPORTS.	TEN MONTHS, 1st APRIL TO 31st JANUARY.				
		1882-83.	1883-84.	1884-85.	1885-86.	1886-87.
1	COTTON—					
	Twist and Yarn:					
	Quantity - - - - *Lbs.*	38,302,359	37,788,920	39,868,937	36,943,471	38,958,855
	Value - - - - - - £.	2,909,336	2,873,305	2,938,886	2,564,598	2,659,758
	Average value per lb. - - *Rs.*	- 12 2	- 12 2	- 11 10	- 11 1	- 10 11
	Ditto - in sterling, at average exchange.	1 *s.* 3 *d.*	1 *s.* 3 *d.*	1 *s.* 2½ *d.*	1 *s.* -¾ *d.*	1 *s.* - *d.*
	Other Manufactures—Value - £.	18,147,253	18,603,096	17,720,147	17,095,757	21,477,494
	TOTAL COTTON GOODS—Gross Imports - - £.	21,056,589	21,476,401	20,659,035	19,660,355	24,137,250
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - Lbs.	*708,175*	*1,086,992*	*771,442*	*950,939*	*1,179,801*
	Value - - - - - - £.	*48,339*	*68,011*	*52,844*	*57,896*	*72,477*
	Average Value per lb. - - Rs.	*- 10 11*	*- 10 -*	*- 10 11*	*- 9 2*	*- 9 9*
	Other Manufactures—Value - £.	*1,066,632*	*1,159,872*	*949,263*	*1,126,931*	*1,196,375*
	Total Re-exports - - - £.	*1,114,971*	*1,227,883*	*1,002,107*	*1,184,827*	*1,268,552*
	TOTAL COTTON GOODS—Net Imports - - £.	19,941,618	20,248,518	19,656,926	18,475,528	22,868,698
2	Metals - - - - - - *Value* £.	4,004,558	4,402,987	4,212,882	4,099,593	3,769,873
3	Railway Plant and Rolling Stock. „	1,610,244	2,344,819	2,259,278	3,507,540	2,855,739
4	Silk (Raw and Manufactured) - „	1,813,882	1,871,627	1,762,895	1,606,645	1,859,129
5	Sugar - - - - - - „	841,985	908,970	1,675,814	1,242,410	1,774,807
6	Woollen Manufactures - - „	938,474	1,220,713	1,181,190	1,299,423	1,518,116
7	Liquors - - - - - - „	1,189,247	1,266,500	1,110,379	1,146,706	1,177,757
8	Machinery and Millwork - „	1,090,309	1,425,642	1,319,618	896,139	1,115,247
9	Oils - - - - - - „	946,164	526,582	1,083,189	788,959	1,097,926
10	Provisions - - - - - „	925,256	885,372	923,718	1,018,777	985,463
11	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - - *Tons*	465,909	499,696	521,276	626,449	572,999
	Value - - - - - - £.	740,092	795,663	872,549	1,002,423	925,628
	Average Value per Ton - *Rs.*	15 14 2	15 14 9	16 11 10	16 - -	16 - 3
12	Apparel - - - - - *Value* £.	676,078	773,366	769,191	801,673	851,454
13	Salt:					
	Quantity - - - - - *Tons*	287,131	313,132	364,549	305,749	340,507
	Value - - - - - - £.	426,616	506,896	569,967	497,530	613,486
	Average Value per Ton - *Rs.*	14 13 9	16 3 -	15 10 2	16 4 4	18 - 3
14	Spices - - - - - - *Value* £.	441,471	485,603	499,934	590,558	555,094

APPENDIX II.—*continued.*

TABLE IV.—WHOLESALE PRICES of TYPICAL COMMODITIES in GOLD and SILVER in *London* and *Calcutta* in December in each Year.

(Prices of March 1873 = 100.)

	Measured in Gold.								Measured in Silver.*							
In LONDON— (Prices quoted from the London "Economist"):	1879.	1880.	1881.	1882.	1883.	1884.	1885.	1886.	1879.	1880.	1881.	1882.	1883.	1884.	1885.	1886.
Scotch pig-iron (warrants)	55	43	44	41	36	36	35	37	63	50	51	49	42	43	45	48
Coals, Hetton, Wallsend (London).	50	52	51	54	54	52	51	51	57	60	59	65	63	62	66	67
Copper, Chili bars	74	68	79	73	65	54	45	43	85	78	91	87	76	64	58	56
Straits tin	62	63	76	64	58	52	64	69	71	73	88	76	68	62	81	89
Wheat	85	77	80	74	70	57	55	61	97	89	92	86	82	68	69	80
Flour, town-made	86	81	91	71	67	54	53	56	98	93	105	85	78	65	68	71
Beef, inferior	85	100	97	97	97	98	75	75	97	116	112	116	113	117	95	97
Cotton, No. 40, mule twist	77	75	77	70	69	70	64	60	87	87	89	84	81	83	82	77
Wool, Southdown hogs	71	76	68	59	61	52	51	59	81	87	78	71	71	63	65	76
Sugar, foreign Muscovado	95	80	71	62	64	44	60	42	108	92	82	74	75	52	77	55
Coffee	83	71	64	74	83	66	65	86	94	81	74	88	97	79	83	111
Saltpetre	96	102	105	90	87	81	78	77	110	118	121	108	102	97	100	99
Gold	–	–	–	–	–	–	–	–	114	115	115	119	117	119	127	130
Silver	88	86	87	84	85	84	79	77	–	–	–	–	–	–	–	–
IN CALCUTTA—(Prices quoted from the "Calcutta Price Current"):																
Grey shirtings (8¼ lbs.)									81	80	78	75	74	76	80	81
Mule twist, white, good, No. 40									88	83	81	75	75	72	71	62
" " Turkey red, No. 40 (12 lbs.)									77	69	69	55	65	58	57	58
" " Orange, No. 40—60									87	88	85	80	82	76	73	75
Copper, sheathing									87	80	87	79	77	65	58	65
Iron, flat, bolt, bar, and square									76	56	65	60	62	54	50	53
Spelter, hard									121	95	96	125	79	84	97	109
Hides, buffalo, slaughtered									96	93	88	87	72	71	77	80
Indigo, good									119	105	113	101	116	103	110	72
Jute, picked									169	148	140	96	164	110	118	131
Lacdye, fine									73	49	36	27	–	–	–	–
Shell lac, fine orange									153	122	93	80	98	56	59	56
Linseed, fine bold clean									120	104	93	86	95	95	101	98
Rice, Ballam									153	103	97	100	138	139	176	106
Silk, raw, Cossimbazar									87	80	86	78	66	69	73	89
Tea, good Souchong									82	64	82	59	64	55	64	55
Wheat, Doodiah									109	92	92	84	85	66	72	81
Gold									110	112	112	115	112	119	127	130

* The values measured in silver in London have been calculated from the values in gold on the basis of the price of standard silver in London.

APPENDIX II.—*continued.*

TABLE V.—STATEMENT showing the true Financial Results to the REVENUES of *India* of the Guarantee of Interest upon the Capital of GUARANTEED RAILWAY COMPANIES, excluding the East Indian Railway Company.

	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.	1886-87. Budget Estimate.	1886-87. Revised Estimate.	1887-88. Budget Estimate.
	Miles.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at end of official year.	4,616	4,611	4,636	4,528	*3,921	3,922½	3,895	3,910½
	£.	£.	£.	£.	£.	£.	£.	£.
Gross Traffic Receipts	7,632,677	7,784,881	7,836,035	7,606,685	7,828,160	6,740,000	7,182,500	7,110,000
Working Expenses	4,017,052	4,202,835	4,147,892	4,128,385	4,103,665	3,606,500	3,630,000	3,595,000
Percentage of Working Expenses on Receipts.	52·63	53·94	52·86	54·27	52·42	53·50	50·54	50·56
Net Traffic Receipts	3,615,625	3,582,046	3,688,143	3,478,300	3,724,495	3,133,500	3,552,500	3,515,000
Net gain by the remittance to England of Capital Receipts and Disbursements in India at the Contract Rates of Exchange, instead of at the average yearly rates obtained for the Secretary of State's bills	-	-	-	1,036	—	—	—	—
TOTAL Revenue £.	3,615,625	3,582,046	3,688,143	3,479,336	3,724,495	3,133,500	3,552,500	3,515,000
Gross Guaranteed Interest paid in India.	6,958	8,038	12,521	29,650	49,767	3,400	11,000	29,400
Gross Guaranteed Interest paid in London. †	3,264,813	3,300,834	3,284,241	3,217,240	3,180,735	2,690,600	2,697,000	2,700,000
Total Guaranteed Interest (Sterling Payments converted at the average exchange of the year).	3,945,306	4,077,125	4,047,246	4,028,654	4,231,707	3,590,900	3,709,700	3,732,300
Surplus Paid to Railway Companies.	333,330	486,591	569,946	431,495	397,129	417,500	535,100	508,000
Land and Supervision	74,746	72,181	67,326	61,457	79,553	80,000	71,900	65,000
Interest on Revenue Balances	1,750	1,647	1,872	1,865	1,419	2,000	2,000	2,500
Net Loss on Receipts and Disbursements of Capital in India, calculated in the same way as the gain.	77,333	66,305	86,675	-	48,006	58,400	94,300	10,000
TOTAL Expenditure £.	4,432,465	4,703,849	4,773,065	4,523,471	4,757,814	4,148,800	4,413,000	4,317,800
Net Expenditure from the Public Treasury.	816,840	1,121,803	1,084,922	1,044,135	1,033,319	1,015,300	860,500	802,800

* The Sind, Punjab, and Delhi Railway, 691 miles, was purchased by the State on 1st January 1886, and the mileage is shown under State Railways.

† With the exception of the figures in this line which are true sterling figures, all the amounts in this table have been converted into English currency at the rate of *Rs.* 10 = £. 1.

APPENDIX II.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS in 1885–86, and ESTIMATED EXPENDITURE on such Works in 1886–87 and 1887–88, and to End of 1887–88.

RAILWAYS.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.	To End of 1887–88.	Sanctioned Outlay.	Balance remaining Unspent.
OPEN LINES.	£.	£.	£.	£.	£.	£.
East Indian	792,509	152,900	105,000	14,234,565	14,234,565	—
Rajputana-Malwa	130,187	74,600	77,500	9,226,130	9,226,130	—
Holkar	4,603	—3,600	3,000	1,299,658	1,299,658	—
Rewari-Ferozepore	44,370	5,500	7,500	1,282,087	1,282,087	—
Sindia	4,819	1,200	- -	921,349	921,349	—
Bhopal	- -	- -	- -	131,057	131,057	—
Wardha Coal	20,049	28,450	5,150	731,676	731,676	—
Nagpur-Chhattisgarh *	45,346	68,300	- -	1,210,916	1,210,916	—
Katni-Umaria	293,130	84,520	—1,000	472,758	472,758	—
Umaria Colliery	16,216	33,880	22,100	81,579	81,579	—
Burma	108,745	9,000	21,320	2,884,022	2,884,022	—
Jorhat	6,197	10,000	4,500	67,915	67,915	—
Cherra-Companygunj	23,982	10,100	11,500	74,213	74,213	—
Eastern Bengal	779,227	176,750	197,400	3,457,490	3,457,490	—
Northern Bengal	29,289	6,020	40,300	2,323,541	2,323,541	—
Tirhoot (open line)	—49,035	17,600	21,400	1,566,070	1,566,070	—
Patna-Gya	8,381	7,800	10,000	435,972	435,972	—
Nalhati	—354	—630	—300	34,559	34,559	—
Dacca	111,765	33,675	2,500	667,831	667,831	—
Kaunia-Dhurla	2,158	500	1,000	97,577	97,577	—
Dildarnagar-Ghazipur	—402	- -	- -	70,311	70,311	—
Cawnpore-Achnera	78,886	—19,300	5,000	1,170,873	1,170,873	—
Bareilly-Pilibhit	6,734	1,500	2,000	152,558	152,558	—
North-Western	374,501	5,377,600	528,800	22,933,811	22,933,811	—
Amritsar-Pathankot	518	4,000	- -	564,740	564,740	—
Dhond and Manmad	196	2,870	4,000	1,099,019	1,099,019	—
TOTAL £.	2,832,017	6,083,235	1,068,679	67,192,277	67,192,277 †	—
LINES UNDER CONSTRUCTION.						
Tounghoo-Mandalay Extension	- -	231,900	1,095,000	1,326,900	2,500,000 ‡	1,173,100
Assam-Behar	434,464	240,460	192,691	1,202,917	1,621,211 §	418,294
Lucknow-Sitapur-Kheri	99,718	167,300	58,000	370,020	512,690	142,670
Sindh-Sagar —Eastern Section	107,098	75,020	31,050	234,434	241,333	6,899
„ —Western „	656,205	1,043,650	377,780	2,095,655	2,509,867	414,212
Sindh-Pishin —Nari-Quetta „	1,684,851	1,437,700	397,700	4,367,766	4,603,809 ‖	236,043
„ —Bostan-Gulistan „	12,805	360,750	84,400	457,955	457,955 ‖	—
„ —Durwaza-Quetta „	47,393	178,200	40,300	265,893	272,294	6,401
„ —Killa-Abdulla Branch	- -	38,500	13,400	51,900	51,900 ‡	—
Bolan	251,533	34,600	28,100	314,233	314,233 ‡	—
Sutlej Bridge (Ferozepore)	163,878	275,550	100,500	551,141	561,033	9,892
Kandahar Reserve Material	230,038	110,620	55,700	405,358	405,358 ‡	—
Cuddapah-Nellore	158,680	206,100	53,040	595,562	608,782	13,220
Bellary-Kistna	408,538	327,300	472,000	1,676,843	1,880,000	203,157
Bezwada to Hyderabad Frontier	- -	1,000	140,400	141,400	168,086 ‡	26,686
TOTAL £.	4,255,201	4,737,650	3,140,061	14,057,977	16,708,551	2,650,574
Carried forward £.	7,087,218	10,820,885	4,208,731	81,250,254	83,900,828	2,650,574

* Will probably be transferred to a Company from 1st April 1887.
† Represents authorised outlay to end of 1887–88.
‡ Approximate Estimates.
§ Includes exchange amounting to 100,000 *l.*
‖ Approximate Estimates. Revised Project Estimates under preparation.

APPENDIX II.—*continued.*

TABLE VI.—CAPITAL EXPENDITURE ON STATE RAILWAYS, &c.—*continued.*

RAILWAYS.	Accounts, 1885-86.	Revised Estimate, 1886-87.	Budget Estimate, 1887-88.	To End of 1887-88.	Sanctioned Outlay.	Balance remaining Unspent.
	£.	£.	£.	£.	£.	£.
Brought forward - - -	7,087,218	10,820,885	4,208,731	81,250,254	83,900,828	2,650,574
LINES UNDER SURVEY.						
Bilaspur-Etawah - - - - - - -	—510	- -	- -	18,088	18,088	—
Dharmaveram Extension Survey - - -	8,489	2,950	680	17,327	17,327	—
Hindupur Extension Survey - - -	- -	50	100	3,602	3,602	—
Pakal-Villupuram Survey - - - -	6,783	5,400	520	14,939	14,939	—
Vizagapatam-Raipur - - - - - -	- -	- -	- -	24,504	24,504	—
TOTAL - - - £.	14,762	8,400	0,300	78,460	78,460	—
LINES IN ABEYANCE OR TRANSFERRED TO COMPANIES.						
Nagpur-Bengal - - - - - - -	54,888	7,500	- -	170,652	170,652	—
Ranaghat-Bhagwangola - - - - -	76	800	- -	30,165	30,165	—
Southern Mahratta - - - - - -	- -	- -	- -	52,707 *	52,707	—
Cawnpore-Kalpi - - - - - - -	—155,631 †	—	—	—	—	—
Jhansi-Manickpur - - - - - -	—314,232 †	—	—	—	—	—
TOTAL - - - £.	—414,899	8,300	- -	253,524	253,524	—
Stores and Reserve - - - - - -	332,848	—363,685	159,169	483,935	486,201	—
GRAND TOTAL - - - £.	7,019,929	10,473,900	4,369,200	82,066,173	84,719,013	2,650,574
Distributed as under :—						
Capital Expenditure on Public Works (not charged against Revenue) :						
State Railways—Construction -	5,798,874	10,086,000	4,294,200	72,768,856	—	—
Famine Relief and Insurance :						
Protective Railways - - - -	589,000	200,000	- -	2,733,979	—	—
Construction of Railways (charged against Revenue in addition to that under Famine Insurance) - - -	632,055	187,900	75,000	6,563,338	—	—
TOTAL as above - - - £.	7,019,929	10,473,900	4,369,200	82,066,173	—	—

* Represents depreciation on works and stores allowed by Government on transfer to the Company.
† Represents refunds by the Indian Midland Railway Company.

APPENDIX II.—*continued.*

TABLE VII.—CAPITAL EXPENDITURE on IRRIGATION—MAJOR WORKS, in 1885-86, and ESTIMATED EXPENDITURE on such Works in 1886-87, 1887-88, and to the End of 1887-88, &c.

	Accounts, 1885-86.	Revised Estimate, 1886-87.	Budget Estimate, 1887-88.	TOTAL to End of 1887-88.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be Spent.
IRRIGATION WORKS:						
CAPITAL EXPENDITURE NOT CHARGED AGAINST REVENUE.	£.	£.	£.	£.	£.	£.
Orissa Canals	46,773	54,800	65,000	2,327,183	3,110,213	783,110
Midnapore Canal	1,006	1,200	1,200	828,110	824,900	—
Tidal Canal	—	—	—	179,549	177,270	—
Sone Canals	16,070	19,000	16,500	2,521,635	2,788,870	267,235
Ganges Canal	2,327	12,400	16,300	2,671,985	2,923,442	251,457
Lower Ganges Canal	87,481	169,100	224,500	3,026,057	2,772,451	—
Agra Canal	1,839	8,500	5,300	837,936	871,670	33,734
Eastern Jumna Canal	3,602	5,100	3,900	300,801	344,191	43,390
Western Jumna Canal	18,874	27,100	42,000	1,050,017	1,079,050	29,033
Bari Doab Canal	11,929	7,100	9,000	1,560,529	1,579,860	19,331
Sirhind Canal (State outlay)	89,797	96,500	74,000	2,202,010	2,226,440	24,430
Chenab Canal	55,154	41,000	63,000	238,439	293,559	55,070
Godavari Delta System	30,861	23,500	24,500	1,079,996	1,108,869	28,873
Kistna Delta System	36,238	45,000	57,700	807,137	1,389,978	582,841
Sangam Anicut System	49,095	34,700	6,100	286,624	289,644	3,020
Desert Canal	1,748	4,400	8,900	121,822	126,684	4,862
Begari Canal	4,258	2,000	—	162,091	162,885	794
Eastern Nara Works	26,465	17,700	18,400	499,193	527,670	28,477
Mutha Canals	6,169	5,200	6,100	597,310	605,323	8,013
Other projects	84,378	74,200	65,800	3,271,670	—	—
	574,004	648,500	708,200	24,570,670	—	—
Deduct,—Outlay incurred from Ordinary Funds	11,468	17,500	8,200	5,446,785	—	—
TOTAL £.	562,536	631,000	700,000	19,123,885	—	—
FAMINE RELIEF AND INSURANCE:						
PROTECTIVE IRRIGATION WORKS:						
Betwa Canal	52,801	10,900	8,900	389,559	425,141	35,582
Swat River Canal	11,964	11,200	10,000	336,367	354,581	18,214
Rushikulya project	8,320	23,900	28,500	85,188	260,139	174,951
Nira Canal	49,467	32,200	35,100	390,114	397,736	7,622
Other projects (including Grants-in-aid)	64,255	33,100	10,000	410,134	—	—
	186,807	111,300	92,500	1,611,362	—	—
Deduct,—Outlay incurred from Ordinary Funds	—	—	—	285,594	—	—
TOTAL £.	186,807	111,300	92,500	1,325,768	—	—
GRAND TOTAL £.	749,343	742,300	792,500	20,449,653	—	—

APPENDIX II.—*continued.*

TABLE VIII.—GROSS RECEIPTS, WORKING EXPENSES, and NET TRAFFIC RECEIPTS, of GUARANTEED and STATE RAILWAYS, for Five Years ending 1885-86, with REVISED ESTIMATES for 1886-87, and BUDGET ESTIMATES for 1887-88.

	ACCOUNTS.					Revised Estimate, 1886-87.	Budget Estimate, 1887-88.
	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.		
GUARANTEED RAILWAYS.							
Open mileage at beginning of year	*Miles.* 4,600	*Miles.* 4,616	*Miles.* 4,611	*Miles.* 4,636	*Miles.* 4,528	*Miles.* * 3,921	*Miles.* † 3,895
Gross Receipts.	£.	£.	£.	£.	£.	£.	£.
East Indian	29,635	—	—	—	—	—	—
Eastern Bengal	584,879	642,331	488,951	82,325	—	—	—
Madras	641,334	682,571	691,041	716,965	760,952	795,000	800,000
South Indian	376,036	376,278	400,362	423,774	450,440	502,500	510,000
Bombay, Baroda, and Central India	976,455	1,075,380	1,211,703	1,221,595	1,328,203	1,310,000	1,330,000
Great Indian Peninsula	3,483,259	3,496,761	3,342,850	3,514,397	3,654,191	3,910,000	3,750,000
Oude and Rohilkund	531,386	479,388	578,859	517,633	571,518	665,000	720,000
Scinde, Punjab, and Delhi	1,009,693	1,032,172	1,122,269	1,129,996	1,062,856	—	—
TOTAL £.	7,632,677	7,784,881	7,836,035	7,606,685	7,828,160	7,182,500	7,110,000
Working Expenses.							
East Indian	29,489	—	—	—	—	—	—
Eastern Bengal	237,278	266,346	262,309	85,153	—	—	—
Madras	426,289	433,274	404,655	424,121	439,380	480,000	475,000
South Indian	248,467	240,198	252,836	281,515	297,325	350,000	350,000
Bombay, Baroda, and Central India	419,097	553,807	497,646	550,449	553,498	560,000	550,000
Great Indian Peninsula	1,638,756	1,725,000	1,751,373	1,779,690	1,850,110	1,870,000	1,830,000
Oude and Rohilkund	325,890	324,210	308,145	307,793	367,054	370,000	390,000
Scinde, Punjab, and Delhi	691,786	660,000	675,932	699,664	596,298	—	—
TOTAL £.	4,017,052	4,202,835	4,147,892	4,128,385	4,103,665	3,630,000	3,595,000
Net Traffic Receipts.							
East Indian	146	—	—	—	—	—	—
Eastern Bengal	347,601	375,985	226,646	—2,828	—	—	—
Madras	215,045	249,297	286,386	292,844	321,572	315,000	325,000
South Indian	127,569	136,080	147,526	142,259	153,115	152,500	160,000
Bombay, Baroda, and Central India	557,358	521,573	714,057	671,146	774,705	750,000	780,000
Great Indian Peninsula	1,844,503	1,771,761	1,591,477	1,734,707	1,804,081	2,040,000	1,920,000
Oude and Rohilkund	205,496	155,178	275,714	209,840	204,464	295,000	330,000
Scinde, Punjab, and Delhi	317,907	372,172	446,337	430,332	466,558	—	—
TOTAL £.	3,615,625	3,582,046	3,688,143	3,478,300	3,724,495	3,552,500	3,515,000
STATE RAILWAYS.							
Open mileage at beginning of year	*Miles.* 4,534	*Miles.* 4,821	*Miles.* 5,153	*Miles.* 5,632	*Miles.* ‡ 6,966	*Miles.* § 7,227	*Miles.* 8,012
Gross Receipts.	£.	£.	£.	£.	£.	£.	£.
East Indian	4,710,555	4,601,341	4,999,462	4,310,425	4,703,587	4,695,274	4,695,270
Rajputana-Malwa	1,012,348	1,113,335	1,319,710	1,306,991	1,665,023	1,750,000	1,800,000
Rewari-Ferozepore	—	—	45,140	92,601			
Sindia	32,863	32,030	25,155	36,833	39,408	39,100	39,500
Bhopal	—	1,438	2,557	1,281	2,643	3,500	4,000
Wardah Coal	52,980	67,287	76,529	67,822	64,820	73,500	67,500
Nagpur-Chhattisgarh	41,870	85,890	129,565	136,239	147,349	128,500	140,000
Katni-Umaria	—	—	—	—	—	3,500	17,500
Umaria Colliery	—	—	—	—	1,572	2,224	6,000	27,500
Burma	152,933	158,688	167,717	216,640	233,585	285,000	290,000
Jorhat	—	—	—	—	383	3,624	4,000	4,500
Cherra Companyganj	—	—	—	—	—	—	500	2,500
Eastern Bengal	—	—	—	—	453,881	455,588	537,500	550,000
Bengal Central	—	—	—	—	—	54,129	56,200	60,000
Northern Bengal	192,741	227,991	213,274	216,628	233,920	260,000	250,000
Tirhoot	57,878	70,981	98,167	124,972	128,026	155,000	165,000
Assam-Behar	—	—	—	—	—	—	10,000
Patna-Gya	53,636	39,834	47,019	51,793	51,750	53,500	51,500
Nalhati	6,787	7,406	8,063	7,638	7,880	8,200	7,800
Calcutta and South Eastern	15,962	22,007	31,806	9,465	—	—	—
Dacca	—	—	—	2,559	12,723	28,000	31,000
Kaunia-Dhurla	—	10,627	14,080	15,676	12,981	13,000	13,000
Indian Midland	—	—	—	—	—	9,400	32,500
Dildarnagar-Ghazipur	4,113	4,847	3,480	4,673	4,650	4,800	4,700
Cawnpore-Achnera	48,785	54,333	57,736	92,930	95,819	60,300	—
Bareilly-Pilibhit	—	—	—	899	8,393	10,000	11,000
Lucknow-Sitapur-Kheri	—	—	—	—	—	1,800	28,000
North Western:							
Punjab Northern, including Northern Section	327,018	304,758	319,015	336,908	1,808,224	2,315,000	2,650,000
Indus Valley and Sind-Pishin	542,580	567,669	691,048	789,493			
Amritsar-Pathankote	—	—	—	19,958	28,985	‖ 7,000	‖ 7,000
Cuddapah-Nellore	—	—	—	—	—	—	17,500
Bellary-Kistna	—	—	—	—	—	—	17,500
Dhond and Manmad ¶	14,047	15,998	19,165	20,427	22,062	23,300	24,000
Southern Mahratta	—	—	77	33,244	102,818	182,500	300,000
TOTAL £.	7,267,096	7,386,460	8,268,765	8,651,931	9,890,211	10,714,374	11,318,770

* The Scinde, Punjab, and Delhi Railway, 691 miles, was purchased by the State on 1st January 1886, and the mileage is shown under State Railways.
† The Bellary Branch of the Madras Railway, 33 miles in length, having been transferred to the Southern Mahratta Railway, the mileage is shown under State Railways.
‡ Includes one-fifth the length of the Bhopal Railway and the whole length of the Scinde, Punjab, and Delhi Railway.
§ Includes one-fifth the length of the Bhopal Railway. ‖ Net Receipts.
¶ The working of this line has been transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.

APPENDIX II.—*continued.*

TABLE VIII.—RECEIPTS AND EXPENSES OF RAILWAYS—*continued.*

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.
STATE RAILWAYS—*continued.*							
Working Expenses.	£.	£.	£.	£.	£.	£.	£.
East Indian	1,646,959	2,069,398	1,996,842	1,829,235	1,882,269	1,770,000	1,840,000
Rajputana-Malwa	581,520	588,661	697,384	708,222	887,238	917,500	952,500
Rewari-Ferozepore	-	-	-	31,326	63,947		
Sindia	23,792	23,830	11,361	19,572	19,440	19,300	19,500
Bhopal	-	1,976	2,984	1,746	3,731	2,300	3,500
Wardha Coal	44,743	45,442	21,620	47,668	51,594	60,000	57,500
Nagpur-Chhattisgarh	24,602	49,134	64,572	80,480	94,705	81,500	90,000
Katni-Umaria	-	-	-	-	-	3,000	12,500
Umaria Colliery	-	-	-	1,379	9,265	12,000	21,500
Burma	89,676	98,816	102,117	134,468	174,769	175,000	173,000
Jorhat	-	-	-	725	4,229	5,000	5,000
Cherra-Companygunj	-	-	-	-	-	2,400	4,000
Eastern Bengal	-	-	-	188,662	298,837	317,500	307,500
Bengal Central	-	-	-	-	54,713	59,000	62,000
Northern Bengal	96,046	107,153	123,543	152,031	149,034	142,000	142,500
Tirhoot	34,904	44,052	67,863	96,847	91,558	100,000	100,000
Assam-Behar	-	-	-	-	-	-	7,500
Patna-Gya	34,117	27,100	23,356	29,825	27,179	28,000	25,500
Nalhati	5,500	5,059	5,632	7,213	6,678	6,500	6,500
Calcutta and South Eastern	19,693	11,623	19,518	8,600	—	—	—
Dacca	-	-	-	707	18,458	27,000	27,000
Kaunia-Dhurla	-	9,039	10,075	11,980	11,019	11,500	11,500
Indian Midland	-	-	-	-	-	6,400	22,500
Dildarnagar-Ghazipur	3,580	4,169	1,222	2,727	2,436	2,500	2,300
Cawnpore-Achnera	35,503	36,578	36,802	68,492	79,222	43,300	—
Bareilly-Pilibhit	-	-	-	1,385	6,113	7,500	8,000
Lucknow-Sitapur-Kheri	-	-	-	-	-	1,300	18,500
North Western:							
Punjab Northern, including Northern Section	286,751	261,124	252,260	235,918	845,651	1,320,000	1,700,000
Indus Valley and Sindh-Pishin	405,965	370,542	391,727	364,337			
Amritsar-Pathankot	-	-	-	17,585	24,171	—	—
Cuddapah-Nellore	-	-	-	-	-	-	15,000
Bellary-Kistna	-	-	-	-	-	-	16,000
Dhond and Manmad*	—	—	—	—	—	—	—
Southern Mahratta	-	-	172	33,183	81,302	127,500	180,000
Exchange	31,793	14,618	29,752	38,795	—	—	—
TOTAL £.	3,365,144	3,768,314	3,899,123	4,145,614	4,833,411	5,278,000	5,831,300
Net Traffic Receipts.							
East Indian	3,063,596	2,531,943	3,002,620	2,481,190	2,821,318	2,925,274	2,855,270
Rajputana-Malwa	430,828	524,674	622,326	598,769	767,785	802,500	847,500
Rewari-Ferozepore	-	-	13,814	28,654			
Sindia	9,071	8,200	13,794	17,261	19,968	19,800	20,000
Bhopal	-	—538	—427	—465	—1,088	1,200	500
Wardha Coal	8,287	21,845	54,909	20,219	13,226	13,500	10,000
Nagpur-Chhattisgarh	17,268	36,756	64,999	55,759	52,544	47,000	50,000
Katni-Umaria	-	-	-	-	-	500	5,000
Umaria Colliery	-	-	-	193	—7,041	—6,000	6,000
Burma	63,257	59,872	65,600	82,172	58,816	110,000	117,000
Jorhat	-	-	-	—342	—605	—1,000	—500
Cherra-Companygunj	-	-	-	-	-	—1,900	—1,500
Eastern Bengal	-	-	-	265,219	156,951	220,000	242,500
Bengal Central	-	-	-	-	—584	—2,800	—2,000
Northern Bengal	96,695	120,838	89,731	64,597	84,885	118,000	107,500
Tirhoot	22,974	26,929	30,304	28,125	36,408	55,000	65,000
Assam-Behar	-	-	-	-	-	-	2,500
Patna Gya	19,519	12,734	23,663	21,968	24,571	25,500	26,000
Nalhati	1,287	2,347	2,431	425	1,202	1,700	1,300
Calcutta and South Eastern	—3,731	10,384	12,293	865	—	—	—
Dacca	-	-	-	1,852	—5,735	1,000	4,000
Kaunia-Dhurla	-	1,588	4,005	3,696	1,962	1,500	1,500
Indian Midland	-	-	-	-	-	3,000	10,000
Dildarnagar-Ghazipur	533	678	2,258	1,946	2,214	2,300	2,400
Cawnpore Achnera	13,282	17,755	26,934	24,438	16,597	17,000	—
Bareilly-Pilibhit	-	-	-	—486	2,280	2,500	3,000
Lucknow-Sitapur-Kheri	-	-	-	-	-	500	9,500
North Western:							
Punjab Northern, including Northern Section	40,267	43,634	66,755	100,990	962,573	995,000	950,000
Indus Valley and Sindh-Pishin	136,615	197,127	299,321	425,156			
Amritsar-Pathankot	-	-	-	2,423	4,814	7,000	7,000
Cuddapah-Nellore	-	-	-	-	-	-	2,500
Bellary-Kistna	-	-	-	-	-	-	1,500
Dhond and Manmad*	14,047	15,998	19,165	20,427	22,062	23,300	24,000
Southern Mahratta	-	-	—95	61	21,516	55,000	120,000
Exchange	—31,793	—14,618	—29,752	—38,795	—	—	—
TOTAL £.	3,901,952	3,618,146	4,378,642	4,206,317	5,056,800	5,436,374	5,487,470

* The working of this line has been transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.

APPENDIX II.—*continued.*

TABLE IX.—GROSS EARNINGS, WORKING EXPENSES, and NET EARNINGS, of IRRIGATION, MAJOR WORKS, for Five Years ending 1885-86, with REVISED ESTIMATE for 1886-87, and BUDGET ESTIMATE for 1887-88.

	ACTUALS.					Revised Estimate,	Budget Estimate,
	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.
DIRECT RECEIPTS:	£.	£.	£.	£.	£.	£.	£.
Orissa Canals	22,315	32,001	23,787	14,358	20,735	24,000	21,600
Midnapore Canal	25,007	26,801	26,457	25,796	26,249	22,000	24,000
Tidal Canal	4,729	4,503	6,359	4,351	5,245	5,500	4,900
Sone Canals	73,629	68,468	60,381	86,247	106,264	81,500	85,300
Ganges Canal	193,048	234,125	242,697	291,662	194,967	212,900	202,800
Lower Ganges Canal	141,379	157,833	151,441	169,434	135,638	162,100	118,000
Agra Canal	59,084	52,793	64,373	79,190	46,689	60,000	54,500
Eastern Jumna Canal	73,918	83,545	76,452	79,374	61,034	69,400	73,200
Betwa Canal	- -	- -	- -	- -	- -	2,100	6,400
Western Jumna Canal	120,125	115,949	139,240	160,237	82,635	86,000	115,500
Chenab Canal	- -	- -	- -	- -	- -	- -	600
Bari Doab Canal	112,869	109,429	100,354	105,421	118,887	129,500	118,000
Sirhind Canal	- -	- -	22	3,249	13,467	35,500	61,500
Swat River Canal	- -	- -	- -	- -	25	2,700	6,700
Godavari Delta System	9,995	7,675	7,560	9,601	10,738	10,200	10,200
Kistna Delta System	3,956	4,973	3,356	3,300	3,522	3,000	3,500
Desert Canal	1,010	1,566	1,519	2,865	2,158	3,300	3,900
Begari Canal	1,850	3,531	3,117	3,456	3,131	4,200	3,400
Eastern Nara Works	2,012	2,057	2,193	1,804	1,872	2,400	2,400
Mutha Canals	14,160	12,461	15,834	14,069	15,055	14,300	15,300
Nira Canal	- -	- -	- -	- -	24	200	1,800
Other projects	6,713	13,272	11,439	20,612	16,388	20,300	25,700
TOTAL £.	865,799	930,982	936,581	1,075,026	864,773	891,100	959,200
PORTION OF LAND REVENUE DUE TO IRRIGATION:							
Ganges Canal	44,301	44,302	44,301	44,301	44,301	44,300	44,300
Lower Ganges Canal	20,783	20,783	20,783	20,783	20,783	20,800	20,800
Eastern Jumna Canal	22,153	22,153	22,154	22,154	22,153	22,100	22,100
Western Jumna Canal	3,809	5,836	6,265	5,832	5,833	5,500	5,500
Bari Doab Canal	29,523	27,997	66,189	27,557	34,250	38,500	33,500
Godavari Delta System	157,072	146,845	153,262	160,678	173,695	163,400	173,800
Kistna Delta System	93,190	81,761	94,929	101,609	110,592	100,100	109,400
Sangam Anicut System	- -	- -	- -	- -	3,970	4,000	4,900
Desert Canal	10,026	8,645	8,534	10,834	9,389	10,300	10,100
Begari Canal	10,305	14,440	15,163	20,386	23,651	27,800	28,800
Eastern Nara Works	15,376	10,515	14,236	17,880	19,039	27,900	29,300
Mutha Canals	- -	- -	- -	- -	—345	—	—
Other projects	84,682	85,804	88,310	33,804	95,296	94,100	94,000
TOTAL £.	491,220	469,081	534,126	465,818	562,607	558,300	576,500
TOTAL REVENUE:							
Orissa Canals	22,315	32,001	23,787	14,358	20,735	24,000	21,600
Midnapore Canal	25,007	26,801	26,457	25,796	26,249	22,000	24,000
Tidal Canal	4,729	4,503	6,359	4,351	5,245	5,500	4,900
Sone Canals	73,629	68,468	60,381	86,247	106,264	81,500	85,300
Ganges Canal	237,349	278,427	286,998	335,963	239,268	257,200	247,100
Lower Ganges Canal	162,162	178,616	172,224	190,217	156,471	122,900	138,800
Agra Canal	59,084	52,793	64,373	79,190	46,689	60,000	54,500
Eastern Jumna Canal	96,071	105,698	98,606	101,528	83,187	91,500	95,300
Betwa Canal	- -	- -	- -	- -	- -	2,100	6,400
Western Jumna Canal	123,934	121,785	145,505	166,069	88,468	91,500	121,000
Chenab Canal	- -	- -	- -	- -	- -	- -	600
Bari Doab Canal	142,392	137,426	166,543	132,978	153,137	168,000	151,500
Sirhind Canal	- -	- -	22	3,249	13,467	35,500	61,500
Swat River Canal	- -	- -	- -	- -	25	2,700	6,700
Godavari Delta System	167,067	154,520	160,822	170,279	184,433	173,600	184,000
Kistna Delta System	97,146	86,734	98,285	104,909	114,114	103,100	112,900
Sangam Anicut System	- -	- -	- -	- -	3,970	4,000	4,900
Desert Canal	11,036	10,211	10,053	13,699	11,547	13,600	14,000
Begari Canal	12,155	17,971	18,280	23,842	26,782	31,500	32,200
Eastern Nara Works	17,388	12,572	16,429	19,684	20,911	30,300	31,700
Mutha Canals	14,160	12,461	15,834	13,752	14,716	14,300	15,300
Nira Canal	- -	- -	- -	- -	24	200	1,800
Other projects	91,395	99,076	99,749	54,733	111,684	114,400	119,700
TOTAL £.	1,357,019	1,400,063	1,470,707	1,540,844	1,427,380	1,449,400	1,535,700

APPENDIX II.—*continued.*

TABLE IX.—EARNINGS AND EXPENSES OF WORKS OF IRRIGATION, &c.—*continued.*

	ACTUALS.					Revised Estimate,	Budget Estimate,
	1881–82.	1882–83.	1883–84.	1884–85.	1885–86.	1886–87.	1887–88.
	£.	£.	£.	£.	£.	£.	£.
WORKING EXPENSES:							
Orissa Canals	32,866	34,154	29,313	31,573	34,258	52,600	48,000
Midnapore Canal	22,847	23,808	21,565	22,317	20,985	20,580	25,000
Tidal Canal	2,868	4,057	4,658	3,689	4,862	4,100	5,000
Sone Canals	45,732	52,984	51,447	60,396	55,237	61,300	67,000
Ganges Canal	80,833	82,949	86,198	92,609	86,026	87,000	90,300
Lower Ganges Canal	50,101	63,215	64,751	82,154	81,327	79,100	73,300
Agra Canal	22,638	21,761	23,859	26,565	26,313	30,100	26,100
Eastern Jumna Canal	17,287	19,917	19,564	19,164	18,128	20,500	19,500
Betwa Canal	-	-	-	-	208	8,800	11,300
Western Jumna Canal	39,143	44,655	44,284	44,177	47,834	46,900	58,000
Chenab Canal	-	-	-	-	-	-	2,800
Bari Doab Canal	46,114	51,897	52,960	47,289	52,014	57,300	47,000
Sirhind Canal	-	-	1,653	14,022	21,276	23,100	32,000
Swat River Canal	-	-	-	-	2,372	4,700	4,000
Godavari Delta System	29,710	31,583	38,243	50,476	56,486	50,700	45,000
Kistna Delta System	24,307	27,217	27,922	27,691	29,413	32,400	30,000
Sangam Anicut System	-	-	-	-	468	2,800	2,900
Desert Canal	1,266	1,173	2,046	3,149	2,848	2,700	2,900
Begari Canal	4,936	7,066	5,549	5,835	5,042	6,000	6,400
Eastern Nara Works	5,143	5,602	5,903	6,488	6,467	7,200	6,500
Mutha Canals	6,224	5,795	5,961	6,831	6,120	6,900	6,600
Nira Canal	-	-	-	-	1,250	2,800	3,200
Other projects	23,620	24,103	28,967	26,998	34,210	85,100	41,100
TOTAL £.	455,635	501,936	514,837	571,423	593,150	642,600	645,900
NET REVENUE:							
Orissa Canals	—10,551	—2,353	—5,526	—17,215	—13,523	—28,600	—26,400
Midnapore Canal	2,160	2,993	4,892	3,479	5,264	1,500	—1,000
Tidal Canal	1,861	446	1,701	662	383	1,400	—100
Sone Canals	27,897	15,484	8,934	25,851	51,027	20,200	18,300
Ganges Canal	156,516	135,478	200,800	243,354	153,242	170,200	156,800
Lower Ganges Canal	112,061	115,401	107,473	108,063	75,144	43,800	65,500
Agra Canal	36,446	31,032	40,514	52,025	20,376	20,900	28,400
Eastern Jumna Canal	78,784	85,781	79,042	82,364	65,059	71,000	75,800
Betwa Canal	-	-	-	-	—208	—6,700	—4,900
Western Jumna Canal	84,791	77,130	101,221	121,892	40,634	44,600	71,000
Chenab Canal	-	-	-	-	-	-	—2,200
Bari Doab Canal	96,278	85,529	113,583	85,689	101,123	110,700	104,500
Sirhind Canal	-	-	—1,631	—16,773	—7,809	12,400	29,500
Swat River Canal	-	-	-	-	—2,347	—2,000	2,700
Godavari Delta System	137,357	122,937	122,579	119,803	127,947	122,900	139,000
Kistna Delta System	72,839	59,517	70,363	77,218	84,761	70,700	82,900
Sangam Anicut System	-	-	-	-	3,502	1,200	2,000
Desert Canal	9,770	9,038	8,013	10,550	8,699	10,900	11,100
Begari Canal	7,219	10,905	12,731	18,007	21,740	25,500	25,800
Eastern Nara Works	12,245	6,970	10,526	13,196	14,444	23,100	25,200
Mutha Canals	7,936	6,666	9,873	6,921	8,590	7,400	8,700
Nira Canal	-	-	-	-	—1,232	—2,600	—1,400
Other projects	67,775	74,973	70,782	27,735	77,474	79,300	78,600
TOTAL £.	901,384	898,127	955,870	969,421	834,230	806,800	889,800

CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDIZED RAILWAYS.

TABLE X.—ABSTRACT OF BUDGET ESTIMATES OF CAPITAL TRANSACTIONS OF GUARANTEED AND SUBSIDIZED RAILWAYS, 1886-87 AND 1887-88.

RAILWAYS.	AMOUNT IN RUPEES.			AMOUNT OF EXCHANGE.			AMOUNT IN POUNDS STERLING.		
	1886-87.		Budget, 1887-88.	1886-87.		Budget, 1887-88.	1886-87.		Budget, 1887-88.
	Budget.	Revised.		Budget.	Revised.		Budget.	Revised.	
GUARANTEED RAILWAYS.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	£.	£.	£.
RECEIPTS.									
Madras	50,50,000	53,00,000	20,00,000	4,21,000	4,42,000	1,66,000	462,900	485,800	183,400
South Indian	12,75,000	17,00,000	15,50,000	53,000	71,000	64,000	122,200	162,900	148,600
Bombay, Baroda, and Central India	27,50,000	29,75,000	26,00,000	2,29,000	2,48,000	2,17,000	252,400	272,700	238,300
Great Indian Peninsula	75,00,000	75,00,000	71,00,000	6,25,000	6,25,000	5,92,000	687,500	687,500	650,800
Oude and Rohilkund	16,00,000	16,00,000	17,50,000	- -	- -	- -	160,000	160,000	175,000
TOTAL	1,81,75,000	1,90,75,000	1,50,00,000	13,28,000	13,86,000	10,39,000	1,684,700	1,768,900	1,396,100
ADVANCES.									
Madras	18,90,000	16,00,000	19,00,000	1,58,000	1,34,000	1,58,000	173,200	146,600	174,200
South Indian	10,25,000	11,50,000	13,50,000	43,000	48,000	56,000	98,200	110,200	129,400
Bombay, Baroda, and Central India	24,00,000	18,50,000	22,00,000	2,00,000	1,54,000	1,83,000	220,000	169,600	201,700
Great Indian Peninsula	45,00,000	45,00,000	50,00,000	3,75,000	3,75,000	4,17,000	412,500	412,500	458,300
Oude and Rohilkund	44,00,000	40,00,000	33,50,000	- -	- -	- -	440,000	400,000	335,000
TOTAL	1,42,15,000	1,31,00,000	1,38,00,000	7,76,000	7,11,000	8,14,000	1,343,900	1,238,900	1,298,600
NET RECEIPTS.									
Madras	31,60,000	37,00,000	1,00,000	2,63,000	3,08,000	8,000	289,700	339,200	9,200
South Indian	2,50,000	5,50,000	2,00,000	10,000	23,000	8,000	24,000	52,700	19,200
Bombay, Baroda, and Central India	3,50,000	11,25,000	4,00,000	29,000	94,000	34,000	32,100	103,100	36,600
Great Indian Peninsula	30,00,000	30,00,000	21,00,000	2,50,000	2,50,000	1,75,000	275,000	275,000	192,500
Oude and Rohilkund	28,00,000	24,00,000	16,00,000	- -	- -	- -	280,000	240,000	160,000
TOTAL	39,60,000	59,75,000	12,00,000	5,52,000	6,75,000	2,25,000	340,800	530,000	97,500
SUBSIDIZED RAILWAYS.									
RECEIPTS.									
Capital received in India:									
Southern Mahratta	27,000	7,200	- -	4,500	1,200	- -	2,250	600	—
Indian Midland	—	—	—	—	—	—	—	—	—
Gain on Remittances to India:									
Southern Mahratta	- -	- -	- -	2,67,000	4,21,000*	4,94,000	—26,700	—42,100	—49,400*
Indian Midland	- -	- -	- -	3,33,300	4,63,000	7,88,000	—33,330	—46,300	—78,800
Nagpur-Bengal	- -	- -	- -	- -	- -	30,000	- -	- -	—3,000
TOTAL	27,000	7,200	- -	6,04,800	8,85,200	13,12,000	—57,780	—87,800	—131,200
WITHDRAWALS.									
Southern Mahratta	93,43,000	1,29,70,000	44,80,000	15,57,000	21,61,000	7,47,000	778,600	1,080,900	373,300
Mysore	- -	70,36,500†	21,45,000	- -	19,06,000	5,81,500	- -	513,050	156,450
Indian Midland	1,62,30,000	97,93,000	1,10,25,000	32,46,000	19,59,000	22,05,000	1,298,400	783,400	882,000
Nagpur-Bengal	- -	- -	47,86,000	- -	- -	11,96,500	- -	- -	358,950
TOTAL	2,55,73,000	2,97,99,500	2,24,36,000	48,03,000	60,26,000	47,30,000	2,077,000	2,377,350	1,770,700
Net Withdrawals	2,55,46,000	2,97,92,300	2,24,36,000	41,98,200	51,40,800	34,18,000	2,134,780	2,465,150	1,901,900
GUARANTEED AND SUBSIDIZED RAILWAYS.									
Net Withdrawals	2,15,86,000	2,38,17,300	2,12,36,000	36,46,200	44,65,800	31,93,000	1,793,980	1,935,150	1,804,400

* Includes Mysore Railway.

† Includes refund to the Mysore State of past outlay incurred by it on the Mysore State Railway up to 30th June 1886.

RETURN

EAST INDIA (FINANCIAL STATEMENT, 1888-89).

Ordered, by The House of Commons, *to be Printed,*
24 *April* 1888.

LONDON:
PRINTED BY HENRY HANSARD AND SON;
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EAST INDIA (FINANCIAL STATEMENT).

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"COPY of the INDIAN FINANCIAL STATEMENT for 1888-89, and of the PROCEEDINGS of the LEGISLATIVE COUNCIL of the GOVERNOR GENERAL upon the BILL for the Amendment of the INDIAN TARIFF ACT."

India Office,
23 April 1888.

J. A. GODLEY,
Under Secretary of State for India.

(*Sir George Balfour.*)

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TABLE OF CONTENTS.

	PARA.	PAGE.
1. Debate on Indian Tariff Act Amendment Bill, 27th January 1888	-	5
" " " " 3rd February 1888	-	19
" " " " 10th February 1888	-	31
2. Financial Statement for 1888-89, 26th March 1888	-	33
I. Introduction	1	33
II. Accounts of 1886-87	5	34
Principal Revenue Heads	9	35
Army Expenditure and Special Defence Works	10	36
III. Estimates, 1887-88 and 1888-89	15	37
Basis of Revised Estimates	18	39
General Comparison, 1887-88	22	40
General Remarks, 1888-89	25	40
Land Revenue	32	41
New Settlement System	34	42
Review by Provinces	41	45
Opium	52	48
Salt	56	49
Effects of Enhanced Duty	59	50
Stamps and Excise	62	51
Alleged Increase of Drunkenness	65	52
Income Tax	67	53
Forests	76	57
Railway Finance	78	57
Interest on Debt	85	60
Civil Expenditure	90	62
Post Office, Telegraph, and Mint	101	65
Marine (Imperial)	104	65
Irrigation	105	66
Civil and Military Works—		
Imperial Portion	109	67
Provincial Portion	112	68
Military Expenditure	114	69
Special Defences	119	71
IV. General Financial Position	121	71
V. Provincial Finance	125	73
Review by Provinces	126	73
VI. Capital Expenditure of Government	135	75

	PARA.	PAGE.
VII. Ways and Means—Home Treasury	138	78
Aided Railway Companies	139	79
Council Bills	144	80
VIII. Ways and Means—India, 1887–88	146	81
Rupee Loan of 1887–88	150	82
Gwalior Loan	151	82
Indian Savings Banks	153	83
Calcutta and Bombay Docks	154	84
IX. Ways and Means—India, 1888–89	155	85
Necessary Cash Balances	156	85
Proposed Rupee Loan	157	85
X. Summary	159	86

APPENDICES.

Appendix I.

Accounts and Estimates.

	PAGE.
General Statement of the Accounts and Estimates of the Revenue and Expenditure and Receipts and Disbursements of the Government of India, in India and in England	90
A.—Statement of the Revenue of India, in India and in England	92
B.—Statement of the Expenditure chargeable on the Revenues of India, in India and in England	94
C.—Statement of Receipts and Disbursements other than Revenue and Expenditure of the Government of India, in India and in England	98
D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Contracts	100
E.—Statement of Net Revenue and Expenditure—England and India	102

Appendix II.

Commercial and Financial Statistics	105

COPY of the INDIAN FINANCIAL STATEMENT for 1888-89, and of the PROCEEDINGS of the LEGISLATIVE COUNCIL of the GOVERNOR GENERAL upon the BILL for the Amendment of the INDIAN TARIFF ACT.

—No. 1.—

EXTRACT from the Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Act of Parliament, 24 & 25 Vict. cap. 67.

27th January 1888.

INDIAN TARIFF ACT, 1882, AMENDMENT BILL.

THE Hon. Mr. Westland moved for leave to introduce a Bill to provide for the levy of a customs-duty on petroleum. He said:—

"In asking the permission of the Council to introduce a Bill of which the intention is to increase our revenue, I shall naturally be expected to give some account of our financial position, and to satisfy the Council that an increase of revenue is necessary upon financial grounds. This expectation is all the more justified in consideration of the fact that, last week, we exercised the power given to us by the Legislature, to make an addition of 25 per cent. to the Salt duties, a measure which deserves some explanation in view of the discussions which took place in the Council two years ago on the occasion of the imposition of the Income Tax in its present form. It would be absolutely impossible for me, within any limits of time, to go over anything approaching to the whole ground covered by our Indian accounts; and I would only weary the Council by leading them into a maze of figures in which all connexion would be lost. I shall assume, therefore, that the Council are already acquainted with the position which we realised in the Financial Statement of last March, when we presented our estimates showing a practical equilibrium of revenue and expenditure. I shall adopt that Financial Statement as my standard, and shall explain, by reference to it, in what respects we now find ourselves worse situated than we then were.

"I know there are people who will not allow me to accept that standard, alleging that it is in itself one of extravagant expenditure, and should not be accepted as the foundation of a claim on the part of the Executive Government to an increase of its revenues. Nothing is more common among some of our public critics than to accuse us of wanton extravagance, but I always observe that these accusations waste themselves in generalities, and do not address themselves to specific items of expenditure which it is considered might with advantage be discontinued. There are some people who are so entirely unable to grasp the large figures in which our accounts are presented, that they assume that the fact of our expending 77 crores of rupees every year is in itself proof positive of entire absence of financial control. They forget the enormous area which this expenditure covers. Compare it with the expenditure of the United Kingdom; it is only 60 per cent. of the amount (77 crores against 128, which is the equivalent of 90 millions sterling), and yet it covers an area ten times as large and a population seven times as large. Moreover, think how much the effect of this comparison would be enhanced, if we were to include in the expenditure of the United Kingdom, as we do in those of India, the hospitals, the roads, and all the other expenditure that is in England charged to Local Rates, and even the expenditure on the maintenance of Railways. I know that the financial circumstances of England and of India are in many respects utterly incapable of direct comparison; but still, I think, we have some claim that those of our critics whose charges of extravagance are based only on the fact that our

expenditure is stated in tens of millions, should bear in mind that the accounts we present are the accounts not of one Government, but of one central and of nine Provincial Governments; and that of these Provincial Governments, five nearly equal in area, and somewhat exceed in population, the five principal Governments in Europe.

"We published, in the Financial Statement of March 1886, the comparative figures of our accounts for the past ten years, and I have seen the argument drawn from these figures that the rapid rate at which we have allowed expenditure to increase argues an absence of proper control. I have seen it made a matter of accusation against us that our expenditure in the first of the series of years alluded to was Rx.* 57,400,000, and in the last of them was Rx. 71,100,000, an increase on the face of it of Rx. 13,700,000, or something like 24 per cent. But it is almost a dishonest mistake to take the figures this way in the gross. Dip a little below the surface, and you find that of this Rx. 13,700,000, Rx. 6,800,000 arises in the account of Railways, and merely means that the Government possesses at the end of the period many more miles of Railway than it did at the beginning, and that it has to pay a much higher rate of exchange on the remittances necessary to pay the guaranteed interest. The extension of Irrigation accounts, in the same way, for Rx. 500,000; the famine insurance grant, which was not expenditure, accounts for nearly Rx. 1,000,000; a bumper opium crop accounts for Rx. 750,000; the extension of Post Offices and Telegraphs accounts for Rx. 600,000, but it brings in as big an increase of revenue as of expenditure. There remains only Rx. 4,000,000 to represent any real increase of expenditure; and of this amount even considerable sections would have to be written off as having no bearing on the question of financial control or economy. Rx. 300,000 of it, for example, mean that we remitted the putwari cess in the North-Western Provinces by taking over, as Government expenditure, the establishments which were maintained out of it, and another Rx. 300,000 represent the portion of Salt Revenue which we annually hand over to Native States under the arrangements completed in 1878-79,—a fiscal reform of the utmost importance, which led not only to great development of revenue but also to great economies in expenditure.

"The figures which represent any real increase of expenditure during the ten years under review are dwindling down very rapidly; we have less than $3\frac{1}{2}$ millions still to account for—something like six per cent. during the ten years. And even of this we might at once strike off, as entirely beyond our control, an increase of Rx. 600,000 in the charges for exchange upon our sterling obligations, namely, Rx. 400,000 in the interest on Sterling Debt, and Rx. 200,000 upon Superannuation charges; and, as almost beyond our control, another Rx. 600,000 of exchange charges upon the Home Military expenditure. We have almost brought down to Rx. 2,000,000 what may be called the net total of the voluntary increase of expenditure in ten years.

"Of course we might have refused even this amount of increase. We might have refused to open new courts of justice where the increase of the population or of business demanded it. We might have refused to increase police expenditure, which is still, in the opinion of many authorities, at a dangerously low figure, and run the risk of breeding insecurity to life and to property. We might have stopped the increase of schools and of hospitals and of roads. We might have shut our eyes to events in Central Asia, and refused the increases of political and of military expenditure, forced upon us by the approach of a great civilized power on our North-West Frontier. In short, we might have refused to discharge the duties and responsibilities of a civilized Government, either with respect to our own subjects, or to the nations which lie beyond our frontier; and those who think we should have observed this attitude are, to this limited extent, right in pointing to our increase of expenditure as evidence of want of financial control. With such people I do not care to argue, and the Legislative Council is not the place where such arguments are called for.

"But, while thus contending that the gross figures of our accounts contain in themselves at least a presumption of the moderate scale of our expenditure, I am far from denying that there is expenditure which cannot be done without. I would only say, with reference to the details of it, that we who are engaged in the control

* The symbol "Rx." indicates tens of rupees.

control of expenditure in India, are so impressed with the hugeness of the demand for expenditure, which is, of itself, of a useful and beneficial character, that we are the last people to willingly consent to divert to purposes of extravagance any money which can be made available to meet that more pressing demand. There is hardly any limit to the amount of money that can be usefully spent in India; and the business of the financial authorities, both Imperial and Provincial, consists far too often in refusing money for objects of which the desirability cannot be denied, simply because it cannot be found, either out of revenue, or by economies in expenditure.

"This is a process of exhaustion which goes on by a sort of compulsion and without intermission, in the ordinary course of the financial business of every department, and is sometimes helped forward by special inquiries, such as those made by the Finance Committee of 1886. That Committee has presented to Government a plentiful crop of suggestions which will continue for a long time to exercise the various departments; but I think I may say, both for the President of the Committee who now sits on my left and for myself, that throughout our inquiries we were greatly struck with the carefulness of detail with which expenditure was supervised, and with the very large proportion of cases in which, when we raised questions on the facts before us, we found that the questions were no new ones to the authorities concerned, but had been amply examined and discussed, long before we were set to work to put the authorities once more upon their defence. But in times of financial necessity, the line must be drawn closer. The Finance Committee's work was to indicate in what way this might be done, and it has resulted not only in actual economies, the credit for a large instalment of which was taken in the Estimates presented last year, but still more in establishing a more rigorous standard by which expenditure, actual and proposed, has to be judged. The expenditure which has passed the review of that Committee is not likely to be really liable to the charge of extravagance, and that which they did not accept as necessary and justifiable has been, or is being, elaborately examined in search of possible economies.

"I think I have said enough to convince the Council that, in adopting, as the standard from which I am to start, the figures of the published Estimate for 1887-88, I am not asking them to condone any past sins of extravagance; but am presenting the account of India as it stands after long years of close attention to the interests of economy.

"The period of 10 years over whose history I have rapidly glanced, terminated with the year 1884-85; and two years ago Sir A. Colvin, in introducing the Income Tax Bill, described that year as the last of the fat kine; he said that the lean kine were come in, though he did not then know how terribly lean they were going to be. But those who have watched the course of Indian finance during the two years that have intervened since Sir A. Colvin in this place explained the then financial position, will be prepared for the announcement that, from causes which I shall presently explain, we are at the present moment even further from equilibrium than when the Government appealed to the Legislature for an extension of direct taxation. It seems to me that the best way of showing the nature and the origin of the difficulties which have thus accumulated about our financial position, will be to make a comparison between the figures of our accounts of 1884-85, the last year in which our financial position may be described as satisfactory, and those of the Budget Estimates of 1887-88. These Estimates showed an equilibrium, it is true; but it was, as Sir Auckland Colvin was very careful to explain at the time, an unstable equilibrium, an equality of revenue to expenditure obtained only by pressing into the service of our expenditure revenues which up till then had formed a sort of reserve.

"For the purposes of this comparison, I have prepared, as my text, the following abstract of the Accounts of 1884-85, and of the Estimates of 1887-88. Abstracts, of course, may be made up in a hundred ways; but they all come to the same thing in the end, and are merely questions of the arrangement in which we choose to take up the subject in hand. The abstract I now put forward will be very easily traced back into its component figures in the published accounts; its main peculiarity is that, besides showing the expenditure heads net instead of gross, I have separated the exchange figures, so that I may show first how the comparison would have stood had there been no alteration in the exchange, and

I have then shown in a separate figure the extra charge falling upon us on this account. It will be seen that the totals up to which the Statement works show that, whereas in 1884-85 we had 51 millions on the revenue side, of which 48 went in expenditure and three in exchange, we find ourselves in 1887-88 with three millions more of revenue, namely, 54 in all, but, as exchange now costs us five millions instead of three, the three millions better revenue affords us only one million for real increase of expenditure.

000 omitted.

	Accounts, 1883-84.	Accounts, 1884-85.	Budget Estimate, 1887-88.
Excluding Exchange:			
Revenue Heads:	*Rx.*	*Rx.*	*Rx.*
Land Revenue	22,362	21,832	22,937
Opium	9,556	8,816	8,893
Salt	6,145	6,507	6,604
Excise and Stamps	7,350	7,618	7,942
Assessed Taxes	526	512	1,406
Other Principal Heads	6,098	5,795	6,345
TOTAL, Principal Heads	52,037	51,080	54,127
Railway Revenue Account:			
Railways: net Earnings	8,066	7,685	9,002
Deduct Interest, Annuities, and other Charges	—7,269	—7,563	—8,600
TOTAL, Revenue Accounts	52,834	51,202	54,529
Expenditure Heads: Net—			
Interest	3,116	3,282	2,753
Civil Expenditure (*a*)	19,609	20,021	21,616
Opium production	1,855	2,966	2,505
Post Office, Telegraph, and Mint	311	279	145
Irrigation	547	573	753
Civil and Military Works, Imperial	2,042	1,395	2,009
" " " Provincial and Local (*b*)	2,734	2,698	2,220
Army	16,019(*c*)	15,200	16,907
Famine Insurance	1,523	1,548	95
Railway Construction	—176	263	75
TOTAL, excluding Exchange	47,580	48,225	49,078
Exchange on Home Expenditure	3,375	3,364	5,434
TOTAL Expenditure	50,955	51,589	54,512
Surplus or Deficit	1,879	—387	+17

"I have

(*a*) Includes Marine.

(*b*) After deduction of the amount charged against accumulated balances of past years (*i.e.*, Provincial deficit). When a Provincial Government draws on its balances to increase its expenditure, it is for the most part under this head that the increase occurs.

(*c*) Includes 1,000 (one million) arrear charges.

"I have inserted, for purposes of comparison, the figures for 1883-84, but those I mean to deal with are the figures of 1884-85. The financial position in this last year may be called a position of equilibrium as we then understood the words. There is a nominal deficit of Rx. 387,000, but it is really due to the fact that the date with which our financial year ends, cuts in two the most active season of Land Revenue collection, and according to the distribution of the collections during the few days before and after 31st March, we get into the financial year sometimes a good deal more, and sometimes a good deal less, than twelve months' revenue. In 1884-85 we got a good deal less, but this of course was a mere temporary feature, and accounts for the fact that what was really a position of financial equilibrium showed in the accounts as a deficit of Rx. 387,000. In fact, as we are taking a general view of the financial position, and not confining our observations to the casual circumstances of a single year, we may go further and say that the year 1884-85 would have shewn the surplus of Rx. 500,000 prescribed by the Secretary of State, had it not been that a bumper crop of opium required an expenditure, exceeding by much more than that amount the average expenditure of a series of previous years. So that the financial position of that time might legitimately be described as one in which our ordinary standard of Revenue was sufficient to enable us to meet all ordinary expenditure, to set apart for famine insurance Rx. 1,500,000, to invest in Railway Construction Rx. 263,000, and to show after all a surplus of Rx. 500,000.

"We have now to compare with this the Budget Estimates of 1887-88; and first let us look at the Revenue side. Land Revenue has of recent years increased pretty steadily at an average of Rx. 120,000 a year, and in three years this gives us Rx. 360,000; besides the addition of Rx. 420,000 of Upper Burmah Revenue. Salt, Excise, and Stamps have added Rx. 400,000 to our resources. The new Income Tax has given us nearly Rx. 900,000; and other Revenues, say Rx. 200,000, besides Rx. 100,000 in Upper Burmah.

"Railway earnings have increased, but hardly at a more rapid pace than the charges against them, on account, mainly, of interest and annuities; of course, when exchange is taken into account, the heavy addition more than swallows up all benefit by increased earnings, but we are at present dealing with the figures independently of this consideration.

"The saving under interest is apparent only; we have been borrowing in sterling, but it is under the head of Rupee debt that we make transfers from the ordinary to the Railway account of debt; and the apparent saving under interest on ordinary debt re-appears as part of the increase of charge on account of exchange.

"The Civil expenditure (which in our accounts unfortunately includes marine charges) has increased by Rx. 1,600,000, of which at least Rx. 1,100,000 is due to Upper Burmah; the rest I do not stop to analyse; some of it is a mere set-off against increased revenue, and some of it is the unavoidable excess of estimates which disappears when the accounts are made up.

"For Imperial Public Works our ordinary standard is Rx. 1,000,000 for Military Works, and Rx. 350,000 for Civil Works, but the budget of 1887-88 is charged, in addition to this, with Rx. 480,000 for Upper Burmah and with Rx. 200,000 for the construction of Military Roads on the North-West Frontier.

"The figures of Army Expenditure show a very heavy increase; nearly Rx. 1,000,000 arise from the measures taken for the increase of its strength, which were alluded to in the speech of His Excellency the President on the occasion of the introduction of the Income Tax Bill. The real cost of these measures is over Rx. 1,500,000, but various economies and reductions have been secured under other heads of Military Expenditure, so that the net increase on the whole is stated under Rx. 1,000,000. But under this head we have also about Rx. 720,000 of special charges arising out of operations in Upper Burmah.

"We come now to the heaviest difference of all, the addition to the charge on account of exchange. Our remittances in 1884-85 were made at the rate of 19·31 pence (£=₹12·43), but in 1887-88 we estimated we could make them only at 17·5 pence (£1=₹13·71); that is to say, each sterling pound of expenditure costs us 1·28 more in Rupees; and this difference, calculated on

the whole amount of our sterling expenditure as it stood in 1884-85 (about £14,000,000), comes to Rx. 1,790,000. That is to say, that even if no increase of expenditure of any kind had occurred since 1884-85, we would still have to face an additional charge of this amount.

"Let us then summarise the changes that have taken place in our financial position between 1884-85, and the Budget Statement of 1887-88.

		Rx.
Army charges have increased by		980,000
We are spending on Frontier Roads		200,000
Upper Burmah is costing us—	*Rx.*	
Civil and Marine charges	1,100,000	
Military and Civil Works	480,000	
Military Operations	720,000	
	2,300,000	
Deduct—Revenue	520,000	
		1,780,000
Exchange adds to our account		1,790,000
TOTAL new demands		4,750,000
These demands we have met as follows:		
(1) We have obtained by the imposition of Income Tax		900,000
(2) And by other improvements of Revenue		960,000
(3) We have stopped for the time the appropriation to Famine insurance of Revenue amounting to		1,450,000
and to Railway Construction, of revenue amounting to, say		260,000
(4) We have diminished the amount of Revenue assigned to Provincial Governments, thereby causing a reduction of their Public Works expenditure by		500,000
(5) And finally we have absorbed the prescribed surplus of		500,000
	Rx.	4,570,000

"There remains Rx. 180,000 arising out of a number of smaller differences.

"This, then, was the financial position at the time of the Budget Estimates of 1887-88. The fall in the value of silver, the necessity of improving our military strength, and the expenditure connected with the occupation of a new province, had absorbed not only the three years' improvement of revenue, but the whole of the margin which we possessed in 1884-85. Every rupee of the revenue shown in the estimates of 1887-88 was pledged, as the Financial Statement put it, 'for the necessary expenditure arising from our administrative needs;' and for the risks of war, and of famine, and of exchange, and of opium, nothing whatever was reserved. Nay, more,—we were pledged to heavy expenditure upon the defences of our harbours and of our North-West Frontier, and this expenditure, all unremunerative as it was, was entirely provided for by borrowed money.

"I can speak with the greater freedom in these matters, because, in the advice I have given to the Government of India, I have throughout sought counsel of Sir Auckland Colvin. It is not that a new Finance Minister takes up the reins in the middle of the financial year, and changes the policy announced by his predecessor in his Budget Statements. The policy is the policy of the Government of India as a whole, whether Sir A. Colvin is its mouthpiece in March, or I become its mouthpiece in January. In the Financial Statement of March last it was clearly explained, that the question of increase of revenue by taxation had been before the Government, and that its consideration had been adjourned, not because the position was satisfactory, but because we had reached

reached a critical point, and it was just too soon for us to determine exactly how matters would have to be settled. It is not without great reluctance and after serious consideration that the Government of India can proceed to measures of increase of taxation; and so long as the position was such that it was possible it might be tided over without taxation, we refrained from a proposal which we would have had to justify, more by our anticipations of what might happen to us, than by our knowledge of what had actually occurred. The small and continual changes, by which in more settled countries the revenue is from time to time adapted to the expenditure, are out of place in Indian finance; it is our duty to resist change as long as we can, but, when it is at last forced upon us, it is equally our duty to face it.

"The changes which have taken place in our financial position since the date of the Budget, have settled for us the question which was then held in suspense; the strain was then as great as we could bear without resort to new taxation, but there was just a glimmer of hope that it might be relaxed. That hope has vanished; the strain has increased beyond the capacity of our revenue to endure it; and we are driven to seek remedial measures.

"The first item in which our burden is increased is again that of exchange. The estimate of 1887-88 was taken at 17¼ pence. During the past year exchange had been as low as 16 pence, but it had rallied, and it stood at over 18 pence in the beginning of February 1887. There were signs of a fall just before the estimates were published, but, with such an unstable item, it was possible only to take current facts for our standard; and we would not have been justified in taking, by anticipation, a lower rate, and founding on our anticipations a claim on the tax-payer's pocket. After the year opened, however, exchange settled down to a much lower rate than that of the estimates; and at that lower rate it has been so singularly stable, that the logic of facts compels us to assume, for all purposes of estimate of our financial position, the lower level, which seems for the present at least to be established, of just under 17 pence. Our present home expenditure is nearly 14,500,000 *l.*, the military demands and the interest on the capital of the aided Railway Companies having added half a million to the standard of 1884-85; and upon this amount of expenditure the difference between 17·5 pence and 16·9 pence is Rx. 720,000.

"Then the railways have not been doing as well as we anticipated; our receipts under this head are greatly affected by circumstances so entirely beyond our control as the question of good or bad crops in America and in Russia, and the course of prices in England. We must necessarily accept such facts as they come, but the results of the year, up to date, are such as to show that the Budget Estimate was based on too sanguine a view. We deal with huge figures under this head, for the gross earnings of the Railways which are paid into the Indian Treasury have recently been as follows:—

		Rx.
Actuals	1884-85	15,958,615
„	1885-86	17,699,747
„	1886-87	18,109,537
Budget Estimate,	1887-88	18,428,770

"The active Railway season comes at the end of the financial year, and it is quite possible that we may witness a partial recovery before the year's account is closed; but, as matters at present stand, our best estimate is that the net result of the Railway account, even after allowing for the reduction of working expenses, which becomes possible in a time of smaller earnings, may be Rx. 400,000 worse than in the Budget Estimates; and, seeing the large amount of unremunerative capital expenditure that is going on, we should not reckon on any immediate improvement bringing in more than will cover the additional interest charges.

"In still one other respect have I to report what looks like a permanent deterioration in the financial position; it is in the effect on our opium revenue of the recent convention regarding the collection of duty in China. In the case of Bengal opium, the addition, or the additional certainty, of the duty in China reacts directly in reducing the auction price; in the case of Bombay opium, we get our full duty, but we cannot expect, if the Chinese maintain the rate of 110 Taels, to maintain the present amount of the export. The loss in the current

year will be something between Rx. 250,000 and Rx. 300,000 as compared with Budget Estimate, and it would be unwise to fix the standard of future revenue higher.

"I have mentioned that Rx. 720,000 of special military expenditure in Upper Burmah was proposed in the Budget Estimates for 1887-88. The Government have not found it possible to reduce this expenditure so soon as was anticipated, and the figures of 1887-88 will show a considerable excess over the Budget Provision. But measures of reduction are now being carried out, and we hope next year to get off with no more than the expenditure estimated for 1887-88.

"The deterioration in our position which we have to face is, therefore, thus made up—

	Rx.
Exchange - - - - - - - - - -	720,000
Railways - - - - - - - - - -	400,000
Opium - - - - - - - - - -	300,000
TOTAL - - - *Rx.*	1,420,000

"If I have succeeded in making plain the financial position with which we started in the Estimates presented last March, it will be immediately evident that we are now under an obligation to seek, by improvement of revenue, at least this amount of amelioration.

"I know that it may be objected that part at least of the expenditure which was charged in our Estimates is of a temporary and special character only; that it is of the nature of capital invested once for all. We have a new province, for the acquisition of which we have to pay large sums of money on account of military and military police charges. We have to fit it out with new roads and new buildings, civil and military; in short, with all the appliances of a civilised administration. It is a country which we hope will ultimately pay even in a purely financial sense, but just at present it imposes upon us, as was shown in the last Financial Statement, a net expenditure which may be stated at Rx. 1,780,000. It may be said of this and of the Rx. 200,000 of frontier roads in the Punjab, that they are a sort of Capital expenditure which we should not charge upon the revenues of the year. But there is really only one logical distinction that we can draw with reference to expenditure of this class.

"If, in respect of any of the expenditure we are now incurring, we calculate that it will produce in future a revenue sufficient to meet the burden of the interest, we may without fear meet it out of borrowed money, because we know that, though we refuse to bear the burden now, we throw no burden upon our successors which we do not furnish them with the means of meeting. The financial position of future years will not be the worse for the course of action adopted by us. But in the case of expenditure, whether we call it expenditure on Capital account or on any other account, which will not in future be financially reproductive, we have absolutely no choice left us, but either to meet it out of the revenue of the current year, or by borrowing to throw the charge upon the unincreased revenues of future years; no amount of re-arrangement of accounts can alter the fact that it is a charge against the existing scale of revenue either of the present or of future years. It may be a fair question for discussion, to what extent we are equitably entitled to throw forward such burdens, and, to the extent to which we are so entitled, we may fairly face a deficit, and leave it to succeeding years to make it good by contributions which will continue after the expenditure has ceased. But there is assuredly no justification for our throwing forward *the whole* of the burden, and compelling future years to bear a charge to which we contribute nothing ourselves.

"But, in distributing the burden between ourselves and future years, we must take into account the whole of the circumstances. The Budget standard of Revenue and Expenditure was Rx. 77,450,000, and we have, as just explained, lost Rx. 700,000 of revenue, and added Rx. 720,000 of expenditure; so that we have now Rx. 76,750,000 of revenue to meet Rx. 78,170,000 of expenditure. Even if we admit the division of this last into Rx. 1,980,000 of extraordinary expenditure and Rx. 76,190,000 of ordinary, the result will be that, after providing for our ordinary expenditure, we have a surplus of only Rx. 560,000 to set against the so-called extraordinary expenditure of Rx. 1,980,000. But unfortunately

unfortunately we have, of this last class of expenditure, not only the Rx. 1,980,000 just mentioned, which are inside the revenue account of our Budget Statement, but we have also the following amounts which we have not yet considered, and which are shown among the expenditure charged to loan; namely, about Rx. 750,000 for special defence works, and Rx. 1,000,000 for improvement of Railway communitation on our North-Western Frontier. We have thus a total of unproductive expenditure of Rx. 3,730,000, and there is no doubt that this rate of expenditure will last for two or three years yet. Can it be pretended that we do our duty, if we contribute to this large amount no more than Rx. 560,000 out of the current revenue, and throw forward the balance of Rx. 3,170,000 as a burden to be met in future years? And the real state of the case would stand even worse than this, for, as we have for the present thrown off the burden of insurance against famine, the Rx. 560,000 is all the contribution we have to offer, both for the chances of famine and for the heavy unproductive expenditure to which I have alluded. I do not think that, on the most selfish reckoning of the account between ourselves and future years, such a policy could be justified.

"It is only too likely that future years will have their own burdens to bear. We are a little too apt to talk of our own special burdens as if the financial sky would clear when they passed away, but Indian Financial history shows that they too often pass away only to be succeeded by special burdens of a new kind, and that we should not too easily reckon on future years retrieving a position now lost. There is only one respect in which we have before us a certainty of relief, namely, that the conversion of the 4 per cent. sterling stock into 3½ per cent. stock will, not next year but in the year after that, reduce our interest charges by 260,000 *l.* or Rx. 370,000. We may regard this as a partial insurance against further depreciation, but it is no warrant for our declining to undertake the measures that are necessary to render our present position sufficiently secure.

"I have now described the financial position, and the necessity which lies upon us of seeking to improve it by a considerable addition to our revenues. The Council are aware in what direction we have sought the greater part of the remedy, and that on Thursday, 19th January, we used the powers given us by the Legislature to raise the Salt Duty from 2 rupees to 2-8 rupees in continental India, and from 3 annas to 1 rupee in Burmah.

"After what was stated here two years ago, by Sir Auckland Colvin when introducing the Income Tax Bill, I need not say that it is with the greatest reluctance that the Government finds itself obliged to have recourse to the Salt Duty. The Government, in the beginning of 1886, appealed to the Legislature, on the ground that, before resort was had to a tax which falls on the millions of the poorer classes, it was bound first to obtain a reasonable contribution from the more wealthy. But, that having been done, we are now obliged to proceed one step further, and adopt the measure from which we then were able to escape.

"When the Salt Duty, in 1882, was reduced from 2-14 rupees in Bengal and 2-8 rupees in the rest of India to 2 rupees, Sir Evelyn Baring wrote thus (*vide* Financial Statement for 1882-83, paragraphs 192 and 201):—

'192. In answering, therefore, the question of how far we may safely take off taxes in reliance on the Opium Revenue, a great deal depends on the nature of the tax we take off. If we abandon a source of Revenue which involves a permanent and absolute loss of money, and which moreover, from whatsoever reason, it would be difficult, in the event of the Opium Revenue failing, to restore to its former position, then the course would be open to great objection. If, on the other hand, we reduce a duty with the fair hope that the reduction will increase consumption, and thus, after a while, recoup us for any loss, and if, moreover, the duty can, without any great fiscal disturbance, be re-imposed in the event of the Opium Revenue falling off, then the reduction of taxation would be unobjectionable. The Salt Duty falls within the latter of these two categories.'

* * * * * * * *

'201. I have said that, by reducing the Salt Duty, the general financial position will be strengthened. We hope that we shall be able to maintain the duty at R2 a maund, and we have at present no reason to suppose that we shall be unable to do so. By a return to a higher rate we should, of course, to some extent at all events, sacrifice the main object we have in view, *viz.*, to afford some relief from taxation to the poorest classes. At the same time I should observe that, if any unforeseen circumstance, such as

a heavy fall in the value of silver, takes place, and if, at the same time, the reduction in the Salt Duty does not result in any considerable increase in the consumption of salt, it would be open to us to return temporarily to a higher rate. This is an expedient to which the Government would have recourse with great reluctance. I allude, however, to the possibility of its adoption, for it is clear that, should an emergency arise of a nature to diminish our other sources of Revenue or to increase our Expenditure, we shall be in a better position to meet it if the Salt Duty is R2 a maund, than if it were levied at a higher rate.'

"The circumstances under which Sir E. Baring said that the Government might find it necessary to increase the Salt Duties, have now been realised. The value of silver has heavily fallen; the rupee was 20 *d.* when Sir Evelyn Baring wrote, it is 17 *d.* now. The opium revenue has failed; for it was then Rx. 9,800,000, and we now put it at Rx. 8,600,000.

"The following statistics, which exclude the figures relating to Burmah, may be given as showing the consumption of salt and the duty paid on it. The figures are for the sixteen years ending 1886-87; and it may be added that the first nine months of 1887-88 show only a very small advance over the same period of 1886-87:—

Year.	Consumption in thousands of Maunds.		Salt Duty in thousands of Rx.
1871-72	22,280		5,723
1872-73	22,833	average 22,677	5,902
1873-74	22,918		5,876
1874-75	23,182		5,906
1875-76	24,720		5,874
1876-77	24,557		5,985
1877-78	24,676		6,189
1878-79	25,205		6,511
1879-80	27,071		6,910
1880-81	26,660	average 26,963	6,751
1881-82	27,158		6,976
1882-83	28,720		5,729
1883-84	29,169		5,815
1884-85	30,746		6,129
1885-86	30,081	average 30,820	6,003
1886-87	31,633		6,338

"It may be noted, with reference to these figures, that, reckoning upon the averages above shown, we may divide the whole into two periods. During the earlier of these, which preceded the reduction of duty in 1882, the rate of increase of consumption averaged annually 2·2 per cent.; while since the reduction of duty the annual increase has averaged 2·7 per cent.

"The figures show also that the extra duty of eight annas may be expected to bring in an extra revenue of Rx. 1,600,000; and, considering the improvement in all means of communication and the generally improved condition of the people, we may reasonably hope that the burden of a duty of Rs. 2-8 will not now have any effect in restricting the rate at which the consumption is increasing.

"The case of Burmah is different from that of the rest of India. The duty there has been three annas only, and, as the Government of India were bound by treaty to permit salt to enter Upper Burmah at a very low rate of duty, it was practically impossible, while that treaty was in force, to levy, in the shape of Salt Tax, from the people of Lower Burmah, the same contribution which was paid by the inhabitants of the rest of India. Another reason used to be urged in the same direction, namely, that the capitation tax in Burmah—or rather the capitation system of assessing Land Revenue—took to some extent the place of the Salt Tax in Continental India. It is very difficult to draw comparisons between the burdens of taxation in the various parts of India—especially when circumstances differ so much as those of Burmah and of Continental India.—but the present Chief Commissioner is strongly of opinion that the increased tax can easily be borne, and should certainly be raised. The present enhancement of the Burmah salt duty will add to the Revenues about Rx. 125,000.

"It

"It is to be noted also, as regards Burmah, that we do not intend to renew the exemption from income tax which hitherto, for administrative reasons, has applied to Lower Burmah. The tax legally applies to the whole of Lower Burmah, but assessment and collection will be made only in towns and centres of trade. We therefore intend, in Lower Burmah at least, as in India generally, to make the richer classes contribute according to their means, while we impose the general salt tax on all classes alike. In Upper Burmah, too, we hope to increase the revenue by taking measures for the restriction and taxation of the traffic in liquors and opium. We are carefully collecting information towards this end, as we are determined that any excise system which we introduce in Upper Burmah shall be really the imposition of a tax upon existing trade, and shall not involve the expansion or creation of a trade where little or none exists.

"Another measure which the Government proposes to adopt for the increase of its revenues is the imposition of an import duty upon petroleum. Import duties in India are matters that require delicate handling, but there is not the slightest occasion for us to take up the questions affecting such duties generally. I have only to say that we want money, and that, whatever may be the case regarding other imports, petroleum is an article in respect of which most of the theoretical objections to an import duty disappear. The importation is, necessarily, and quite apart from any levy of duty, subject to rules and restrictions, which can very easily be made to lend themselves to the convenient and certain collection of duty. The oil is for the most part of a few well-recognized brands, so that there is no difficulty in fixing its value for purpose of duty. The production is a monopoly of one or two countries (mainly, America and Russia), with which the production of India or of other countries can hardly enter into competition, and the circumstances are such that the advantage which the producing countries at present have, will remain practically unaffected by the small duty we propose to levy.

"So far as the consumer is concerned, he will certainly, even after the tax is levied, be better off than he was only a year or two ago; we are taking from him only a small part of the benefit he has received through development of the trade during the past few years.

"The statistics of the trade are as follow:—

IMPORTS of MINERAL OIL.

Year.	Quantity. Gallons.	Value, ₹ Lakhs	Value per Gallon.
			₹
1873–74	Not stated	3·51	—
1874–75	Not stated	7·98	—
1875–76	621,530	4·46	·719
1876–77	439,123	4·91	1·12
1877–78	2,405,405	22·67	·942
1878–79	3,775,674	27·17	·719
1879–80	7,888,247	48·19	·611
1880–81	10,060,026	48·70	·485
1881–82	9,883,049	50·40	·511
1882–83	21,059,668	92·93	·441
1883–84	13,883,838	56·17	·407
1884–85	27,306,999	115·82	·425
1885–86	21,311,942	85·18	·400
1886–87	31,949,633	125·99	·395
1887–88 (8 months)	20,817,770	80·51	·387

"As the value of the imports of this year is slightly in advance of the quantity imported during the same months of last year, we may estimate the probable annual import at the value of 130 lakhs of Rupees, on which a five per cent. duty will give us an income of Rx. 65,000, The cost of collection will, we anticipate, be very little.

"For this project the sanction of the Legislature is required, and it is for permission to introduce an amendment of the Tariff Act for this purpose, that I now apply to the Council.

"The Government have considered the question of imposing a counter-vailing excise duty on oil produced in India, but have decided that this should not be proposed The only Indian production on any considerable scale is that above Thayetmyo in Burmah. The production there is about 2,400,000 gallons, but as 80 per cent. is lost in refining, there is less than half a million gallons for consumption. A Company which exploited the wells near Akyab, was driven from the market by the competition of American oil. There is a little oil in Assam, but it is not worked, and there is oil round about Rawalpindi, but it is not yet exploited, except to a very limited extent for Government purposes. The Government is labouring, with some slight success, to obtain oil at Khattan, in Biluchistan. All these, however, are at the best mere nascent industries, which are utterly out of any chance of competition with imported oils, and the machinery of an excise duty is not required, and should not, in the opinion of the Government, be applied.

"The two sources of revenue to which I have mainly made reference, will give us an enhanced income of Rx. 1,790,000; and we may add Rx. 100,000 as a moderate estimate of the produce of the other revenues to which I have referred. With these, our financial position, supposing no further fall in exchange and no further loss of opium revenue to take place, two contingencies upon which it would be rash to calculate, may be stated in the following way:—

		Rx.
REVENUE.		
Ordinary and Recurrent Revenues as they at present stand		76,750,000
New Salt Duties		1,725,000
Petroleum		65,000
Assessed Taxes and Excise in Burmah		100,000
Total Revenues - - *Rx.*		78,640,000
EXPENDITURE.		
Ordinary and Recurrent Expenditure, being Rx. 560,000 short of Revenue		76,190,000
Special Expenditure, of which, except in the item of Military Expenditure in Burmah, no reduction can be expected for two or three years—	*Rx.*	
(1) In Upper Burmah in excess of Revenue	1,780,000	
(2) Frontier Roads on the North-West Frontier	200,000	
(3) Special Defences	750,000	
		2,730,000
Total charged on Revenue Account - - *Rx.*		78,920,000

"Besides Rx. 1,000,000 of North-West Frontier Railway Expenditure, which is practically of the same category as this last, but is shown as Railway Capital Expenditure outside the Revenue Account.

"The Secretary of State, although in modification of former orders he has directed that the special defence expenditure of Rx. 750,000 should be shown inside the Revenue Account, undertook, in his Budget explanation to Parliament, that the step would not involve the raising of taxation to meet it. Leaving it out of the account therefore, we have a surplus on the revenue account of Rx. 470,000, which is certainly not too much to estimate for, in the face of the risks of further fall in the price of opium and of silver, and of the fact that we are providing nothing for famine insurance, and are throwing forward Rx. 1,750,000 of financially unremunerative expenditure, namely, the present annual outlay on special defences to our Harbours and Frontiers, and on Military Railways on our North-West Frontier."

	Rx.
Revenue	78,640,000
Expenditure	78,170,000
Surplus	470,000

The Honourable Rájá Peári Mohan Mukerji said:—"I had no notion that the Honourable the Finance Member, in moving for leave to introduce a Bill for imposing customs duties on petroleum, would take occasion to place before the Council a statement of the financial position of the Government of India. As

As a non-official member of Your Excellency's Legislative Council, I wish it to be understood that, without a careful examination of the statement and of the arguments with which the Honourable the Finance Member has supported his figures, I am unable to say whether his reasons and the details he has submitted have my full concurrence. The additional duty on salt, which Your Excellency has lately imposed by executive order, has given the Government of India about 1,500,000 *l.*, and it is at the same time a measure which has given very general satisfaction, as one which will not touch to any appreciable extent even the poorest in the land. If more money is wanted, I think we should look in the direction of the import duties. There might be reasons why the Government should not try to re-impose any import duty on cotton twist and yarns and cotton piece goods, which would give the Government of India a very large revenue, but I should think that petroleum is rather an insignificant article of commerce to impose a duty upon. The total value of the article imported to this country barely comes up to a million sterling, and we should remember also that it is one of those articles which has found its way to the homes of the poorest people of the land. Any duty imposed upon it would therefore touch even the poorest classes. There are other things, such as hardware and metals, which are imported to this country to a very large extent. If I am not mistaken, metals to the value of nearly 6,000,000 *l.* are imported annually into this country, and about 1,000,000 *l.* worth of hardware, and the duty on either of these articles would not touch poor people. I submit these facts to the consideration of the Honourable Council and of the Honourable the Finance Member."

The Honourable Mr. Westland said:—"The observations which the last speaker has made tended rather to open out the question which I deliberately avoided taking up, namely, that of the import duties generally. It seems to me that, whatever might have been the objections to the removal of the import-duties at the time—and I know that a number of people, especially those connected with the commerce of the country, thought that the removal of the import duties was not called for—the fact of the import-duties having gone renders it practically impossible for us to re-impose them. As regards the proposal that, leaving the cotton duties alone, we should impose an import duty on hardware, I have only to say that the question of the imposition of import duties generally was one which, from many points of view, it was very difficult to take up; and that, as petroleum offers itself in a very easy manner to the production of a small duty, we have only at present made a proposal to impose an import duty on it, without going further. I fancy that next Friday we shall have some more observations regarding the possible sources of revenue, and it is better for me to reserve till that day any observations I have to make on the general question of raising revenue. I may take this opportunity of making some observations with reference to the procedure adopted by the Government in raising the salt duty the other day, because I have seen opinions expressed in some newspapers to the effect that the Government was not justified in resorting to what was considered an extraordinary means of raising the duty, namely, by issuing suddenly an executive order for raising an additional revenue of Rx. 1,600,000. I think we are justified, in the first place, by the consideration that, the Legislature having laid down a definite mode of imposing the salt duty, it was not open to the Government of India to proceed in any other way. Besides, to announce the imposition of the duty beforehand would only be to disturb and disarrange the whole trade. If we were to announce to those who were engaged in the salt trade that the duty of 2 rupees, which was at present levied, would at some future date be raised to 2-8 rupees, the only result would be that everybody would make a rush to at once clear out the whole of the salt they could possibly get, and the result would be that a great part of the duty which we intended to impose would be evaded, to the advantage of a few individuals and the general loss of the State. It is always advisable, in the case of the imposition of new tariff duties, that the new measures should be taken suddenly and at once, so that every person might, as far as possible, be placed upon a precisely equal footing."

His Excellency the President said:—"I do not think it necessary at this stage of the proceedings to trouble the Council with any special observations in regard to the motion before it. But I cannot help expressing my satisfaction

at hearing from our honourable colleague Rájá Peári Mohan Mukerji that the recent increase which we have made in the salt duty has met with his approval. Representing so fully as he does the views of the intelligent and educated Native community of India, that expression of opinion on his part is very valuable. Of course it is with extreme reluctance that any one in my position can give his consent to any increase to the burdens of the people of India. Unfortunately it has become my lot on two several occasions to add to the taxation of the country. But, in justification of this hard necessity, it is sufficient for me to remark that since my arrival in India, owing to the depreciation in the price of silver, the annual accumulative loss to the Government has progressively increased year by year by a million pounds sterling. The loss in 1884-85, when I first took up the reins of government, stood at 3,400,000 *l.*; in 1885-86 it amounted to 4,400,000 *l.*; in 1886-87 to 5,400,000 *l.*; and now in 1887-88 to 6,200,000 *l.* But, even in the presence of these growing embarrassments, I would certainly have been unwilling to have agreed to an increase of the salt tax, had it not been, as the Honourable Mr. Westland has most clearly explained to the Council, that a somewhat unexpected loss of revenue had declared itself during the last year under two other heads—through a fall in the price of opium and in our railway receipts. As the Government would not have been in a position to suggest to the Council, on other grounds than those of mere conjecture, that any improvement would take place in future years under the head of exchange or even under either of the other two heads of income I have referred to, it became obviously our duty at once to strengthen our financial position and to provide ourselves with a working surplus. By the executive measure which we adopted a few days ago, and by the Bill which is now about to be introduced into the Council, I trust that this satisfactory result will be obtained. I am very glad that my honourable friend Mr. Westland has noticed the circumstances under which the Government was induced to issue a Gazette notification raising the salt duty. In acting as we have done, we have merely acted in accordance with the intentions of an Act of the Legislature which placed us in possession of those powers which we put in motion. To have adopted any other course would have been undesirable. To have given the kind of notice which some persons seem to have desired would only have benefited a certain number of individuals at the expense of the community at large. I can quite understand that my honourable colleague Rájá Peári Mohan Mukerji should have felt himself—and in that respect he has merely expressed what, I am sure, is the feeling of his colleagues—unable at this stage of the proceedings to enter into any of those larger questions of finance which my honourable friend Mr. Westland has brought to the notice of the Council. But I hope that he will appreciate the desire of the Government of India, in submitting to the Council so full a financial statement as that made by Mr. Westland, to profit by the experience and advice of those eminent gentlemen I see around me."

The Motion was put and agreed to.

The Honourable Mr. Westland also introduced the Bill. He said:—"The Bill, as honourable members will see, consists of two sections. The first makes a formal addition to the schedule which imposes import duties under the Indian Tariff Act of 1882. In that schedule we have adopted the definition of 'petroleum' which is given in the Petroleum Act, and it will be seen that our proposal is to impose an *ad valorem* duty of 5 per cent. The second section has for its object to make perfectly clear the manner in which, and the extent to which, the duty shall be brought into operation. There is a proviso in the Sea Customs Act—namely, under section 37—which has the effect, with reference to articles on which an existing duty is raised, of exempting from increased duties those shipments in respect of which port-clearance has already been granted, that is to say, which are in course of import but which have not yet passed the custom-house. This proviso, we are advised, does not, as a matter of law, operate in the case of petroleum, because the duty on petroleum is not raised, but a new duty is imposed. But, if this proviso under section 37 did apply, then we are of opinion that we ought specifically to provide that it should not do so. The operation of section 37 is practically to give to people who happen to be possessors of petroleum at sea an advantage, which is an advantage gained at the cost of the State; whereas every other person who

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is a producer of petroleum will have to pay the duty, those who happen to be the possessors of the petroleum which is on the sea obtain the advantage of landing it free, while the action taken by us will probably have the effect of raising the price in their favour. It seems to us unnecessary, if we do wish to raise a tax on petroleum, to secure for these petroleum dealers a special advantage of three months, and therefore we propose to the Council that the proviso of section 37 shall not apply in the case of the imposition of this new duty upon petroleum. At the next meeting of the Council I shall move that this Bill be taken into consideration, with the view of having it passed, if the Council approve, on the same day."

3rd February 1888.

The Honourable Mr. Westland moved that the Bill to provide for the levy of a customs duty on petroleum be referred to a Select Committee consisting of the Honourable Messrs. Scoble, Whiteside, Steel, and Halliday, and the Mover, with instructions to report in one week. He said:—

"Last week I explained to the Council that I would on that day week propose that the Bill for the levy of a customs duty on petroleum should be taken into consideration by the Council. But since then some circumstances have been brought to my knowledge which render it desirable that the Bill should be laid before a Select Committee, before it is brought up before Your Excellency's Council. In the first place, there is a difficulty in the definition which we have applied to petroleum. It has been explained to us that this definition covers not only illuminating oils, which we ordinarily understand by petroleum, but a number of oils which are used for such purposes as lubricating and 'batching' —a process in the preparation of jute for manufacture. It is not our intention to impose a tax on lubricating or batching oil; and, if we can, by amending our definition, more accurately exempt these oils from the operation of the duty, it is desirable to do so. Then, besides this, my honourable friend, Mr. Steel, has brought to my notice that, owing to circumstances connected with the trade in petroleum, there are reasons why it is desirable that, in lieu of an *ad valorem* duty, a duty of so much per gallon ought to be adopted. My honourable friend will, no doubt, explain this matter in full to the Council, but, as the proposition has been made, I think it is desirable that it should be considered with more deliberation than can be done at a meeting of this Council. I therefore propose that the Bill be referred in the first place to a Select Committee. We shall lose a week's revenue, at least, by this step, but considering the support which your Lordship's proposals have received from the mercantile community, and even from the firms which are engaged in the import of petroleum, I think it is desirable that we should meet their convenience by examining the details of the Bill in the light of the opinions which they have given us. I hope by this means to be able to produce the Bill before the Council after another week in a form in which it will be possible for the Council to pass it."

The Honourable Sir Dinshaw Manockjee Petit said:—"Not having read the statement of the financial position of the Government of India which the Honourable Mr. Westland had placed before the Council at the last meeting in moving for leave to introduce the Bill for the imposition of a duty on petroleum, I was not able to express an opinion on the question then; but, now that I have gone through this statement, I see that the major portion of the loss which the Government has sustained was owing to the low rate of exchange, over which no one had any control; and, in order to recoup this loss to some extent, I am of opinion that an *ad valorem* duty on petroleum appears to be the least objectionable. Kerosine is now largely used by even the poorest classes. Take, for instance, a family consisting of four persons of this class; the weekly consumption of this oil among them is very often less than one quart bottle; and, if a duty of 5 per cent. is imposed on a 10-gallon case holding about 48 quart bottles, and worth from 3 rupees to 5 rupees according to quality, the amount of duty, say, on a case worth 5 rupees, would be 4 annas (or 48 pies), and that is about one pie a quart bottle. Consequently, this duty will not prove at all oppressive even on the poorest classes. I see that an objection in some quarters has been

raised against the increase in the salt tax of an additional duty of eight annas per maund; but, if the figures on this question are gone into, it will be found that this increase would be as little felt by the masses as would the duty on petroleum. As circumstances have arisen which necessitate the imposition of a duty on petroleum, and as this imposition would not, as I have above shown, at all affect the poor, I have nothing to say against its being levied.

"To recoup the continued heavy loss which has to be sustained every year in exchange, and which loss may hereafter still increase, since exchange has fallen within a short time from 1*s.* 7*d.* to 1*s.* 5*d.*, and may go still lower to 1*s.* 3*d.*, I have to suggest that the question of imposing an import and export duty be considered, and for this purpose Government should, if it think it advisable, ask for the opinions of well-experienced European and native merchants in the three Presidencies, to see what their feelings and views on the subject are."

The Honourable Mr. Steel said:—"In the remarks which I propose to make, I will, in the first place, address myself to the subject of the Bill now before the Council.

"I take no objection to the principle involved in the taxation of imported petroleum. On the contrary, I am convinced that, if additional revenue be required, there is no less objectionable source from which it can be drawn. I would have preferred that the amount of the duty had been fixed at an anna per gallon, which would have produced 20 lakhs, as it appears doubtful policy to impose a tax which will yield but 6½ lakhs of revenue. Even the higher rate of duty would not, in my opinion, materially affect the consumer, nor impede the development of trade. A tax on petroleum possesses the important advantage that it will involve little wastage for the cost of collection. The revenue derived from it promises to increase steadily from year to year, and will eventually be a valuable resource. But, while approving of the principle of the Bill, I desire to suggest that it may be greatly improved by substituting a tax on measurement for an *ad valorem* duty. A tax on value will give rise to disputes in appraising the oil. It will tend to discourage imports of the purer qualities of oil, and will encourage shipments of the cheaper and more dangerous kinds such as have in former years caused much trouble to Government. There is another objection to an *ad valorem* duty on this article. The value of a case of petroleum consists in about equal proportions of the cost of the oil itself and that of the tins and box in which it is packed. Now, if oil be imported in tanks and landed in bulk, such oil would practically be admitted at one-half the duty imposed on goods landed in the customary packages. I believe there is a probability that Russian oil may soon be imported in tanks. I am in a position to inform the Council that importers would prefer a duty of 4 annas per case of 8 imperial gallons, which would yield 10 lakhs of revenue, to the 5 per cent. duty on value proposed in the Bill and estimated to produce 6½ lakhs. Any oil imported in bulk might pay the same duty of half an anna per imperial gallon. I trust these suggestions may be considered by the Select Committee. The honourable member has explained to us that the second clause of the Bill is designed to make it clear that the immediate operation of the law will not be limited or restrained by the reservations of the Sea-customs Act, which, if they had applied, would have permitted shipments cleared for an Indian port before the passing of the Bill to escape free of duty. On this point I entirely agree with my honourable friend. In the case of the recent enhancement of the salt duty, the effect of section 37 of the Sea-customs Act has certainly been to benefit individuals at the cost of the public revenue. I should be glad to see the recurrence of such an anomaly prevented, and would be prepared to support a modification of the law repealing the clause in question. While on this point, I must express the surprise and regret with which I have seen blame imputed to Government for enhancing the salt duty by an executive order. Speaking on behalf of the mercantile community, I do not hesitate to say that any other course would have involved most serious loss to the revenue, for which Government would have been justly held responsible. The unfortunate proviso of the Sea-customs Act to which I have referred has put 10 lakhs into the pockets of individuals at the cost of the public. A fortnight's notice of your intention would have doubled the loss to the country.

"The writers in the press seem to be ignorant that Government possesses statutory power to increase the salt duty to any point within three rupees per maund without legislation, a power that is confined to salt. Another complaint advanced

vanced in the press is the alleged loss which has fallen upon the owners of bonded salt in consequence of the imposition of the enhanced duty. I have made particular enquiries into this allegation, and it may be of interest to the Council if I explain the facts. The great bulk of the Liverpool salt in bond is owned by a syndicate of native salt dealers. These gentlemen are also the owners of a much larger quantity of salt on the way, which will escape at the old duty. The immediate effect of the change has been to increase the value of floating salt by ten rupees a ton, and to depreciate that of bonded salt by three rupees a ton. On the balance the syndicate will be gainers of a very large sum. One European firm stands in the same fortunate position. The Bombay salt in stock yields a large profit to the owners, as the duty was paid in Bombay at the lower rate at the time of shipment. The only other interest to be considered is that of the Muhammadan importers of Kurcuch salt from Aden and Jeddah. These merchants are the owners of about three lakhs of maunds of bonded salt, the value of which is temporarily depreciated, and I originally feared they might be losers by the change. Yesterday, however, the three principal merchants called upon me to explain their position and ask my advice. Their spokesman, who is a gentleman of great intelligence and polished manners, answered with perfect frankness the questions I addressed to him; and it appears that, while losers in respect of their bonded stock, they have been the owners of a considerable quantity of salt afloat, by which they will make more than they will lose. Their complaint when analyzed amounted merely to their objection that, while the change in the duty had given a great profit to their neighbours, it had given them little advantage. The deputation left me, as I believe, perfectly satisfied with the explanations I gave to them. It is thus evident the owners of bonded salt have suffered no hardship.

"I will now take advantage of this opportunity to make some general remarks suggested by the statement of the Honourable Finance Minister. The public will regard with particular satisfaction the fact that such a statement has been submitted to us. It will be recognized that, by the adoption of such an unusual course, Your Lordship's Government has shown in the most practical form a desire to obtain for your measures the support of public opinion. It will be believed that on this mark of your confidence we may found the hope that Your Lordship's powerful advocacy will be given to that demand for a modification of the Council Act which has recently been expressed with a unanimity almost unexampled in Indian experience.

"The honourable member began his speech by repudiating the assumption that our present annual rate of expenditure can only result from extravagant administration. On this abstract question his defence was complete. He showed that the ordinary expenditure on administration has only increased by two millions or 3 per cent. in ten years—a period which has probably added 15 per cent. to the population. So far from agreeing with those who charge the Government with extravagance, I believe it is far more open to criticism on the ground of penurious reluctance to incur expenditure for the better administration of justice and the increasing requirements of advancing civilization. On the subject of military expenditure, the public is not in a position to offer intelligent criticism. Your Lordship's military advisers must be the judges of the value and necessity of military works. We have every reason to entrust them with our fullest confidence. We hold Government responsible for making us safe against any possible enemy—so safe that no one shall venture to attack us. Expenditure may be nothing more than a premium of insurance against panic and the reckless waste it occasions; but, even so, it is money well spent. And, if this responsibility is thrown upon Government, we must not grudge the means necessary for its efficient discharge. Nor do I complain that an unreasonable share of the cost of our defence will be thrown upon the coming year. I think the honourable member's views are entitled to generous support as those of a cautious and courageous financier.

"And now, my Lord, I must say something concerning the means adopted by Government for the restoration of financial equilibrium; and such value as this debate may possess will be derived from the expression of public opinion on this subject. As these measures have already been taken, and as we are now discussing what has been already done, and not what is yet to do, the debate is necessarily rather of an academic than a practical character. I trust, however, that the Council will not complain if I avail myself of this rare oppor-

tunity to offer some observations on the general subject of the comparative merits of direct and indirect taxation. The intelligent Englishman is apt to regard this comparison from the stand-point of his own experience. He knows that in his own country an income-tax yields without trouble a very large revenue. He knows that the proportionate cost of collection is small. He is a free-trader, and he knows that, if import duties are to provide an important share of the British revenue, they must be exacted on a scale which will greatly curtail the volume of imports. He knows that, as trade is but another name for barter, a restriction of imports would involve a diminished demand for English industrial products, now taken by other countries as payment for the goods which England imports. As an enlightened disciple of free-trade principles, he knows how the interests of England are best served. But, when such a man turns his attention to Indian finance, he will have much to learn. He will find that a sixpenny income-tax produces but a small amount of revenue: that of that amount 8 per cent. is wasted in the cost of collection. He will be told that an income-tax is obnoxious to everybody; that it harasses not only those who pay, but also those who should not be asked to pay, but who are worried with demands which it costs them much trouble and expense to set aside. For myself I may say that, while I have always considered an income-tax correct in theory, the experience of the last two years has greatly increased my objections to it on practical grounds. When the enquirer turns to examine the incidence of indirect taxation in India, he must be prepared for a new revelation. He will find that a salt-duty produces a large revenue without complaint from any quarter; that my honourable friend by a stroke of the pen can find a million and three-quarters of revenue which will not cost an additional rupee to collect; that the consumer, who will now be taxed a half-penny per month for his salt, will continue to use as much as he wants, and that, if the tax were a farthing per month, he would use no more; that there will be as little cause for complaint now the duty is increased, as there was for gratitude when it was recklessly reduced. I have every confidence that the duties on salt and petroleum will not in the slightest degree limit the consumption; that our English and American friends will send us as much salt and petroleum as before, and will take from us as much of our produce in exchange. But, having said so much in favour of indirect taxation, I may be asked why I do not push my argument to its legitimate conclusion, and advocate the re-imposition of the import duties on piece-goods and the immediate abolition of the income-tax. My reply to this must be that I see no use in discussing a matter outside the range of practical politics. I think the duties were rashly taken off, but under present circumstances I know we will not be allowed to re-impose them.

"And now, my Lord, I will venture to say that it will be a mistake if this debate is allowed to take too gloomy a tone. We have much reason to look forward with hope to the future. Agriculture, the great stand-bye of the Empire, is flourishing as it never flourished before. The manufacturing interests are prospering and developing, to the great benefit of the country. Trade is growing in magnitude. Communications are being rapidly improved. Our debt, although large, is amply covered by the value of State property. Burma will soon be peaceful and prosperous. Our frontier defences will before long be in a satisfactory condition. In your recent speech, my Lord, you attracted the sympathy of the country by the expression of your regret that it should have been your unpleasant duty to add to the burdens of the people. But the day may not be far distant when some Viceroy (I hope in the interests of the Empire it may be yourself) will have the pleasant task of remitting taxation on justifiable grounds. When that day comes, I trust you will be able to consult your Legislative Council, and we are ready with our programme. I trust the court-fees will be reduced and the rice-tax remitted. The obnoxious income tax should be the next to go, and when any further power of remission remains we will not complain if our Finance Minister tampers with the salt-duty."

The Honourable Mr. Evans said:—"I am not an expert in financial matters, But, having watched with interest the course of Indian finances from 1878, when I first had the honour of being a member of your Excellency's Council, I am strongly impressed with the conviction that indirect taxation must be our mainstay in this country, and that further attempts at direct taxation will cause waste and friction disproportionate to the results. It has been suggested in this particular

particular instance, that the import duty upon piece goods should be re-imposed. Apart from the fact, as has been pointed out, that this is not a practical proposal, it appears to me that their re-imposition in the shape in which they existed before has become an impossibility. The growing competition between India and Lancashire will prevent their being re-imposed without their being of a protective character. I have not seen any practical proposals for raising the necessary money to meet the exigencies of the State but those which have been adopted by the Government of India, namely, the increase in the salt duties and the tax on petroleum. The statement which was made by the Honourable the Financial Member on the last occasion is a very able statement. It shows very clearly the strain which has been imposed upon the resources of India by the continued fall in exchange, the diminished revenue from opium, combined with the necessity for expenditure on our north-western frontier defences and the expenditure in Upper Burma. It also shows very clearly—what I believe to be the case—that the public moneys in India are disbursed with strict economy and supervision in the administration of this vast empire. It is also clear, I think, that the Government has done what it can, and with considerable success, by the Finance Commission, to prune and reduce establishment expenses to the extent which was within the scope of that Commission. But the outlook, with the possibility of a further fall in exchange and a great probability of a further diminution of the opium revenue from the increasing growth of the poppy in China and other causes, together with the necessity of continuing our increased expenditure in Burma for some time to come, is not a cheerful one. I am, I believe, expressing the views of many, when I say that the time has arrived for the Home authorities seriously to take in hand reforms which the Governor General in Council is powerless to effect or to deal with. The Home charges are what cause India to feel the exchange, and the Home charges are what India cannot deal with. They are very heavy and are capable of great reduction. The enormous expenses thrown upon India by the short-service system, and the constant movement of troops between England and India, involves enormous increased expenditure; and many competent authorities are of opinion that the increased expenditure brings no increase of efficiency, but rather the reverse. The expensive transport system, and many points raised by the late Army Commission, are matters which the Home Government is bound to grapple with. The India Office itself needs a thorough overhauling, and considerable reductions might be made; for the times have changed, and it will almost certainly appear that the system is more cumbrous and expensive than is needed. The purchasing and spending departments at Home should be narrowly looked into. *Quis custodiet ipsos custodes?* There is also the further important question as to whether the old system of presidencies with separate Governors and Commanders in Chief, and separate armies, should be maintained; and this too presses for solution. I think, when all has been done that can be done on this side, we are entitled to look for some relief from the other side of the water. Having helped ourselves all we can, we are entitled to call on the higher powers for aid. Meanwhile, the Government of this country must be carried on, but, unless the Home authorities bestir themselves shortly, they must expect to encounter grave and general dissatisfaction."

The Honourable Syud Ameer Hossein said:—"My Lord, since the introduction of the Bill last week, I have made inquiries in direct communication with the dealers of kerosine oil, to ascertain what would be the incidence of the proposed duty. The present market or contract value of each box containing two tins of the oil as entered in the invoice is Rs. 3-9. The duty at five per cent. would amount to about three annas per box. The oil is retailed in the bázár to the poor people in bottles. Each box contains 10 gallons of the oil, capable of filling up 48 quart bottles. So the 48 bottles will pay a duty of three annas or 36 pies, and therefore each bottle will pay a duty of three-fourths of a pie. The present retail price of a bottle of oil is one-and-a-half annas or 18 pies. The addition of three-fourths of a pie to the 18 pies will not be an appreciable burden to the poor people. The above calculations satisfactorily prove the unobjectionable character of the proposed duty. I have read with great interest the very able Financial Statement laid before the Council by the Honourable Finance Minister. I think that the honourable member has made out a good case for the increased taxation, which happily has

taken the indirect form. I feel bound to say, my Lord, that nothing is so unsuited to this country as direct taxation. The law may not be so harmful or inequitable in theory, but its administration, in spite of the closest supervision of the controlling authorities, is nearly always unsatisfactory, and sometimes attended with a good deal of oppression.

"At the risk of treading on forbidden ground, I respectfully trust, my Lord, that, should necessity arise for a further increase of revenue, recourse may be had to that form of indirect taxation which was abolished by this Council a few years ago, and which, so far as India is concerned, is the least objectionable impost."

The Honourable Rana Sir Shankar Bakhsh Singh Bahádur said:—"I have fully considered the Petroleum Bill and the Statement of its Objects and Reasons. Since petroleum (including various kinds of inflammable liquids enumerated in the Bill) is an article of trade, it does not seem to me improper to levy a customs duty on the same on its being imported into British India from any other country or island. My reasons for the above conclusion are as follows:—

"(1) The Government has, both on land and water, afforded every convenience and safety to the public by means of railways and steamers, which facilitate commercial communications with distant countries, and thereby cause the prosperity and development of commerce.

"(2) The Government, as far as possible, protects the property of every individual.

"Having these reasons in view, I entirely agree with the honourable member, Mr. Westland, in his proposal to impose a duty on petroleum; but, since at the same time it appears from the Statement of Objects and Reasons that the trade of petroleum has been on the increase for the last two years only, I beg to suggest that in the beginning, if deemed advisable, the rate of duty should be a little lower than that which has been proposed. In future, the rate may be raised if the said trade prove more flourishing, or if the present increase therein remain in after years steady."

The Honourable Rájá Peári Mohan Mukerji said:—"The increased duty imposed upon salt a few days ago will so nearly meet the anticipated deficit, and the revenue expected from the proposed levy of a customs duty on petroleum is altogether so small, that I was tempted for a moment to suppose that one of the objects for which this small measure has been proposed was to overcome the legal difficulty in the way of gratifying a widely and influentially expressed public desire. Such a supposition would, perhaps, have been wholly groundless, but I nevertheless feel beholden to your Excellency's Government for having allowed me and my non-official colleagues in their Honourable Council an opportunity for discussing the main features of the Financial Budget for the ensuing year. The Honourable the Finance Member is to be congratulated on the lucid exposition of the financial position of the country which he has given to the Council. The inevitable expenditure for the defences of the north-western frontier, and for bringing Upper Burma under civilised administration, would have been met from the ordinary and recurrent revenues of the country, if the increased loss by exchange and the falling off in the opium revenue and the gross earnings of railways had not caused a strain beyond the capacity of our revenues to bear. It is again a sort of expenditure which, on account of its being immediately unproductive, must be charged on the revenues of the year. To think of meeting it by raising a loan would be extremely unwise, as it would permanently add to the burdens of the country and make the financial position of future years much worse. Before we realise, therefore, a substantial saving of expenditure by such measures of economy as might be carried without diminishing the efficiency of the various departments of the administration, there is a clear necessity for a large addition to the recurrent revenues of the ensuing year. The increased salt revenues will supply this addition and leave but a small deficit, and, as petroleum is not a very important article of commerce, and a duty upon it is likely to touch the poorer classes, I suggested at the last meeting the propriety of looking to other articles for raising a revenue upon by means of an import duty. Whether a duty on metals and hardware would

would not press more harshly than one on mineral oils, at least on certain races and classes of the people, is, however, a question which, in the absence of carefully prepared statistics, I do not wish to face. The very universality of its use points to petroleum as an excisable commodity, and all objections to a duty upon it in this country, based upon humanitarian grounds, vanish when it is considered that the average incidence of the tax upon every family in the empire will be less than half an anna a year."

The Honourable Mr. Westland said:—"It has been particularly gratifying to myself, and I doubt not also to the other members of your Excellency's Government, to find that the proposals we have made for the restitution of our financial position have been so generally accepted by those who are most qualified to pronounce an opinion regarding them. I am afraid that a sense of relief from taxation in a more unacceptable form may have conduced in some degree to the general acceptance of the enhancement of the salt duty. For myself, therefore, I would not carry this public approval of our policy so far as to remove the reluctance with which we had recourse to the salt duties, and I shall be very glad when the time comes in which we can relegate the eight annas, which we have now re-imposed, back to the position in which Sir Evelyn Baring placed it, namely, that of a reserve to be appealed to in times of trouble. But our first duty undoubtedly was to put ourselves right with the world, by making our revenue adequate to our expenditure, and I think it is a matter on which we may well congratulate ourselves that our full and frank statement of our financial position has enabled the public to realize the difficulties which we had to meet, and to give its approval to the means we are adopting to escape from them.

"It is only fair that I should say we have no intention of now folding our arms, and, having secured what we hope may be a balance on the right side, of relaxing our efforts in the direction of economy. So long as our financial position is dependent upon the maintenance of a salt duty of 2-8 rupees, we must regard ourselves, in the management of our expenditure, as still under the same obligations which a deficit would impose upon us. We must also do our best in the development of our existing revenues. I look hopefully to a considerable increase in the excise revenues, and believe that a great deal might be done in Northern India by the introduction of the methods which in Bombay and in Madras have so powerfully contributed to the increase of revenue under this head. I believe also that we have far from exhausted the possibilities of the provincial system, and I am of opinion that we may find in further development of it a means of increasing our financial strength. By these, and by other means, we must strive to bring more near to us the date when it may be possible to examine our revenues for the purpose of remission. My honourable friend, Mr. Steel, has recommended to our notice in this respect the rice duties, which have certainly been repeatedly condemned on economic grounds, and which only financial necessity has preserved in existence. But I am afraid that remissions of revenue have at present only an academic interest, and it is only waste of time to discuss now what will most likely have to wait for our successors to decide.

"And for the same reasons I must also claim exemption from the duty of saying anything about the import duties generally. The policy of their remission has been referred to more than once, both in former debates and during the present one. But the policy, I submit, must be regarded as a closed book. The practical questions which submit themselves for our decision are sufficiently numerous, and sufficiently important, to occupy our whole attention; and the practical question with regard to the import duties is not whether they should have been remitted or not, but whether, having been remitted, it is practicable now to re-impose them. To this question I do not think there can be two answers. Manchester and Bombay are now such rivals that it would be quite unjustifiable to tax Manchester with an import duty, unless we also taxed Bombay with an excise duty; and the difficulties in the way of an excise duty, especially with reference to mills which lie in Native territory, or which might be transferred to Native territory, are such as to place the proposal outside the range of practical politics.

"The Honourable Rájá Peári Mohan Mukerji has in connection with this subject referred to the propriety of re-imposing the duties on metals and hard-

ware. The tax upon metals yielded only ten lakhs, and the tax upon hardware amounted to under three lakhs. Apart from the general inadvisability of re-imposing import duties, there are practical considerations against the re-imposition of particular duties, the proceeds of which would be small; for it can never be worth while to introduce the general machinery of a customs duty for the purpose of obtaining the small sum of 13 lakhs. The justification for the imposition of a duty on petroleum lies in the fact that it can be done under the existing conditions of the trade with practically no additional expense or restrictions upon the trade. That would not be the case in regard to the imposition of duties on metals and hardware; and, moreover, I do not endorse the contention of my honourable friend that a tax on metals and hardware will only fall on the rich, and not in any respect on the poorer classes.

"My honourable friend, Mr. Steel, has also referred to the claims made on behalf of litigants that we should reduce the fees payable by them, and the same subject was taken up in the letter, to which he has made allusion, of the Chamber which he so ably represents. For one reason I am glad that the reference has been made, because it gives me an opportunity of removing what seems to be a very general misapprehension. I shall not discuss the question whether the administration of civil justice may or may not be made a source of revenue just as reasonably as any other Governmental business: that is a question on which, especially in India, there may very well be two opinions. But I would simply ask the question: On what ground is it supposed that, as matters stand, the Government makes any profit at all? No figures that I have ever seen establish such a conclusion. It is easy to show that the revenue from court fees more than covers the cost of the salaries of officers and the establishments employed in connection with Civil Courts; but, before a fair account can be made up, numerous other items have to be regarded. You have to reckon, for example, the cost of pensions and of leave allowances, and the cost of providing and maintaining buildings. It is not a very easy thing to do, but we have made elaborate investigations upon this basis; and the result, so far as we have made it out, does not support the view which has been too readily assumed by my honourable friend and by others. To mention only the case of the larger provinces: there is a considerable loss in Bombay; in the North-Western Provinces we also overspend the income by about 10 per cent.; in Madras we make a saving of about 5 or 6 per cent.; and in Bengal the saving is probably somewhat larger than that. The smaller provinces show a loss in every case. I cannot state in actual figures the result for the whole of India, but so much at least appears evident, so far as our investigation has gone, that very little, if any, profit is made out of the whole business, and that litigants do not, on the whole, pay more than is required for the maintenance of the courts of law. I think it is very important that these facts should be known. The high judicial authorities who are charged with the over sight of the administration of justice are necessarily, in the plain exercise of their duty, continually pressing for improvements and additional expenditure in all directions; and they have a strong case if it were really true that the Government made the administration of civil justice a source of revenue. But, as this is not the case, India cannot afford to pay for perfection in that department any more than in any other, and the Government is not justified in setting aside financial considerations in dealing with these subjects. It is, to say the least of it, doubtful how far the reduction of the court-fees duties, even if carried out, would give the anticipated relief to litigants. Although I cannot speak from personal experience, I believe the payment of court fees forms but a small proportion of the total of the law charges incurred by a litigant, and the reduction of their amount would make no great difference in the total of the charges which the litigant has to meet. But in any case the facts I have stated will show that, so far as the Executive Government goes, there is very little chance of our being able to afford any reduction of the revenue from court fees as long as the expenditure bears its present proportion to the receipts; and that, if the public consider their burden too heavy, the only condition on which relief can be afforded, is that by some reforms in procedure or system, or by some other means, a better tale of work be obtained from the existing Courts.

"My honourable friend, Mr. Steel, has referred also to certain complaints which have been put forward as to the hardships entailed upon the owners of salt in bond. The fact is, according to information which I also have received,

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that the owners of salt in bond happen also to be owners of large quantities of salt in course of transit by sea: and, as he has explained, these owners, having large quantities of salt at sea in respect of which the provisions of section 37 of the Sea Customs Act applies, are able to realise large and totally unexpected profits; and, while they are engaged in selling, at this unusual profit, the salt they have at sea, they of course put off, in the meantime, the sale of the salt they have in bond. The honourable member will, perhaps, be extremely surprised to hear that these merchants have made this the subject of a memorial to the Government, in which they refer to the action of the Government in suddenly increasing the salt duties as imposing upon them a 'ruinous loss.' 'Ruinous loss' is certainly a curious term to apply to an operation that has brought them an unexpected profit of some lakhs of rupees. I have no doubt that they would like to have its operations extended also to the duty upon salt in bond, by which, of course, their profits would be enhanced to double the amount they will now receive. But, when an importer deliberately chooses to bond his goods, instead of bringing them to sale when first landed, he must accept the risk of an alteration of the duty at the time at which he chooses to bring the goods for consumption. It is very pleasant to learn that the notification of the enhancement of duty has not, as a matter of fact, involved any loss to the salt merchants of Calcutta, but I confess it would have been preferable if the operation of the Sea Customs Act had not entailed a loss to the Treasury and a gain to them of the duty upon salt in course of transit by sea.

"On one other point I wish, with your Excellency's permission, to offer some observations. The proposal has been made that our present difficulties may be evaded by the plan of separating Burma from the rest of India, constituting it a separate province and borrowing against its future revenues. For such a plan, of course, separation from India must be absolute and complete; the mere separation of the Burma budget into a separate account, while still remaining part of the revenue and expenditure for which the Indian Government are responsible, would mean nothing at all. You do not get rid of expenditure, and of the liability that it imposes upon you, by the simple process of writing it under a separate account. But this separation of Burma into a new and separate financial entity is one of those proposals which crumble to pieces the moment you attempt to give them definite practical shape. The whole basis of it, of course, is that the local revenue is not at present, and is not likely for some time to come to be, equal to meeting the expenditure. We cast Burma adrift on the express ground that it is for practical purposes insolvent, and financially not worth keeping. But who will lend money upon the security of revenues such as these? Burma has no credit; it cannot have, if it is disparaged at the very start by such a policy. Whatever money is raised therefore must be raised on the credit of India; and we come back to the very methods to which I put forth the objections by anticipation last week. There is no difference whatever between the plan of opening a new Burma account and borrowing on the credit of India to meet the deficit it is to show, and the plan of charging the expenditure as Indian expenditure, and borrowing instead of raising revenue to meet it. The latter is the honest and straightforward way of stating the facts; the former is an elaborate device for concealing the truth from yourself.

"A financial separation is therefore a practical impossibility, but, even if it were not so, it would be a policy to which we have no right to resort. The annexation of Burma differs in no respect from the various annexations which we have made from time to time, and which have built up the India we now know. One after the other they have been incorporated in the empire, brought under one common administration, one common system, bound together by ties—administrative, political, military, and commercial—which render any idea of separation an impossibility. Some provinces are rich and advanced, some are poor and backward; but all have benefited enormously by the linking together in a common system. We have no more right to cast Burma out of the common brotherhood, and to tell it to bear its own burdens, than we have to select the poorer portions of Bengal or Assam, and to tell them that the wealth of their neighbours cannot be applied to giving them a share in the common civilisation. For thirty or forty years Burma has been a member of the empire, has borne its share in its burdens, has paid like the other provinces its contribution towards the common imperial expenditure.

After having obtained from it for so many years all the advantages which arise from the broader basis on which the empire has been built, and the measure of financial relief which is due to its participation in the common burdens, I cannot conceive by what right we can now impose upon it the burden of the new conquest, and tell it that it must from its own resources, and without help from us, bridge over the interval that has to elapse between our first occupation of a new and undeveloped province and the time when it ceases to be a burden and becomes a support to our financial position. For Upper Burma, its annexation and its administration, we, the Indian Empire, are responsible; and it would be as unjust politically, as I believe it would be in the end financially foolish, were we to attempt to pass on to others' shoulders the burden of the responsibility we have deliberately assumed. The time has not yet come when we need stand aghast at our own greatness, and beg one of own minor provinces to take off our hands the responsibilities which that greatness imposes upon us."

The honourable Lieutenant General Chesney said:—"I did not intend to trouble the Council with any remarks to-day, but something has been said by my honourable friend, Mr. Steel, in the course of his very interesting and lucid statement which tempts me to offer a few observations on the subject. I think we must all be indebted to the honourable member for having in a few words of admirable common sense explained away a great deal of the nonsense which has been talked during the last few days about the irregular action of the Government in regard to the mode by which the salt duty has been enhanced; and it is very gratifying to find the general policy of the Government supported by so high an authority. But one remark was made by him to which I venture to take exception. My honourable friend spoke in terms of blame of the action of the Government in 1882 when they reduced the salt duties; he spoke of the 'reckless' reduction of the salt duties in 1882. I venture to demur to that expression as being a correct interpretation of the facts of the case. The Government in 1882 had a considerable surplus in hand; and here I might venture to remind the Council that India, whose financial condition my honourable friend, Mr. Evans, considers to be gloomy, shares with England the happy position which, with the single exception of the United States of America, it alone possesses among all civilised countries, of ever having a surplus in any years. If you examine the financial condition of all the countries in Europe, there is one point in which they all agree, namely, that there is uniformly a deficit, and uniformly a fresh loan, every year. The revenues of France, Russia, Italy, and I believe Germany also, year by year fail to make good the necessary expenditure, and the deficit has to be filled up by the inevitable loan. India has had occasionally to borrow money, but it has fortunately had during the last thirty years several years of surplus. India and England are the only two countries in that happy condition. Now, as regards the mode of dealing with a surplus, I think we may take a lesson from the practice which is followed in England. In England, when there is a surplus, the practice used to be to take off some of the import duties in order to cheapen articles which are in common use. After a time, when the process of reduction of the import duties had been carried to a very great extent, then English financiers began to operate upon the income-tax. The practice having been dropped of the further remission of import duties, there were practically only two ways of dealing with a surplus—to reduce the income-tax, or to pay off a portion of the national debt; and the former alternative has been the one usually adopted. Now, in this country the salt-duties practically take the place of the income-tax in England. The income-tax in England is paid by a large proportion of the community, whereas in India the income-tax falls upon a very small percentage of the people, and it is only by dealing with a tax which affects the mass of the community that any considerable operation is possible, while, as has been repeatedly pointed out, the salt-duty is a duty which can be increased or reduced at will without any additional expenditure for collection. Now, there were two courses open to the Government of 1882—to lower the salt duties or to pay off debt. Suppose the Government had not pursued the 'reckless' course of reducing the salt duties which had been commented upon by my honourable friend, Mr. Steel, what would have been the certain consequence of maintaining that tax at the higher rate? Anybody acquainted with the history of Indian administration will know that there could

could have been but one certain result—the expenditure would have increased to the full extent of the surplus in a very short time. The Government of India with a surplus to dispose of would be immediately subjected to the pressure of the Local Administrations for larger grants of money, and we may be sure it would be inundated with proposals from all directions—from admirable motives no doubt—for the means of improved administration in all branches, and the surplus would soon be consumed. If, therefore, the salt-duties had not been reduced in 1882, the Government of India would have been left at this period without that valuable resource to enable it to retrieve its financial position. I venture to think that it is always incumbent upon the Government to pare down its revenue as well as its expenditure, and that a good surplus of one year should not be made available for increased expenditure, but should rather be applied to the reduction of taxation.

"I wish also to make one observation in reply to what has fallen from the Honourable Mr. Evans as to the gloomy prospects of Indian finance. In this my honourable friend echoes a good deal of what has been said during the last few days about the state of the Indian finances in many different quarters. I saw the other day in a highly respectable newspaper published at Allahabad, which generally writes in a very lucid strain, a reference to what it called the present financial crisis. Now I am old enough to recollect a good many financial crises. First of all came the great crisis of the mutiny, when forty millions had been spent, the collection of the revenue had been stopped over a large part of the country, and the Treasury was empty—an occasion when it might indeed appear as if we were on the eve of national bankruptcy. Yet three years afterwards we had already arrived at a time of prosperity and a handsome surplus. Then, in 1876, there was a crisis during the famine, when we had to spend no less than sixteen millions merely to keep people alive. Then came the great drain upon the Government during the time of the Afghan War, when twenty millions were spent. Then again you heard the old story about financial bankruptcy. Three years afterwards, and during the time of Sir Evelyn Baring, he was able to bring out a prosperous budget with a large surplus. In face of these financial crises I think the language used in regard to the present state of things is a little hysterical. It is quite true that under conceivable circumstances, if all things combined to go wrong together—if exchange continued to go down—if the revenue from opium continued to fall, if trade became more depressed, then certainly we might be in a bad way. But, as my honourable friend, Mr. Steel, has reminded us, this is not a time of mercantile or social depression. The very loss by exchange, which is one of the causes of difficulty for the Government, in the opinion of a good many competent judges, is a source of great prosperity to the country. I think, therefore, that, if we look back at the history of these real financial crises through which the Government has safely emerged, we need not be alarmed at the present state of affairs, which, compared with what has happened in the past, is merely a financial ripple on the water."

His Excellency the President said:—"Our honourable colleague the Finance Member may certainly be congratulated on the candid and generous manner in which his financial statement has been received by all the members of this Council; and it is gratifying to the Government to feel that not only do we possess the unanimous approval and support of the Council, but that we may fairly conclude that the views which have been expressed by Mr. Steel in his very weighty speech, by Mr. Evans, and by all the Native members, are the reflex of that intelligent public opinion which they are so well entitled to represent. The question has been so ably dealt with by every member who has spoken, and the consensus of opinion is so general, that it is unnecessary for me to trouble the Council further. Of course the real difficulty attending our financial policy is the instability of silver. With an uncertainty of that kind introduced into all his calculations, no Finance Minister can ever enjoy any real repose. He must be always conscious that in the unknown future there may exist contingencies which will upset all his calculations and destroy the anticipated equilibrium in his budget; but from the very nature of the case all that the Government can do is to exercise its best intelligence in calculating the probabilities of the actual situation, and leave the ultimate issue in the hands of Providence. As I have already had occasion to say, had it not been for the

fall in silver which has made me three millions a year a poorer Viceroy than I was when I first came to the country, notwithstanding even the fall in opium and the expenditure in Burma, I think we might have tided over our present difficulties without any resort to increased taxation. From what I have recently heard from our Minister in China, it does not seem likely that any very considerable change in the mercantile relations between China and India as regards opium is likely to ensue. Again, though we have no right to allow such an anticipation to influence our practical policy, we may fairly hope that our railway receipts will also recover. With regard to Burma, there is no doubt that, although during the last year the expenditure has been very heavy—heavier even than was anticipated—it will be a diminishing charge, and even in the budget we are now preparing a change for the better will be shown. Moreover, it must be remembered that Lower Burma may be expected, if not altogether, at all events to a considerable extent, to be able to carry Upper Burma on its back. It is true the surplus revenue of Lower Burma, which annually accrues over and above the expenses of its own administration, and now amounts to nearly a million, only represents a fair share which that province might be called upon to pay towards the general imperial expenses of administration; but, on the other hand, it is clear that, if Lower Burma did not exist, the large sums which for some years past we have received from thence would have had to be supplied by India herself from extra taxation from which she has now been relieved. Consequently, were the accounts of the two provinces to be united, the deficit in regard to Upper Burma, even for the present, will be found to be inconsiderable. It will be interesting to the Council to know that not only are we daily receiving satisfactory proofs of the rapidity with which Upper Burma is settling down and order is being established, but that we have made most satisfactory progress in dealing with all those subordinate questions which affect the Shan States and our relations both with Siam and China. It has been stated that this Government has determined upon the subjugation of the Shan States, and that we are about to send a *corps d'armée* in order to carry this purpose into effect. Such an observation only shows how very great is the misconception which prevails in regard to the political and geographical condition of what are known as the Shan States. As you are aware, Burma may be described as a broad valley traversed by the Irrawaddy and the Chindwin, with the Arakan mountains on the western side and a corresponding high plateau on the eastern side. It is upon this plateau, which extends as far as the Salween, that the Burmese Shan States are situated. These States have always been subject to Upper Burma, and, when we took possession of that country, we sent messages to their various chiefs, that from henceforth they were to regard Her Majesty the Queen as their Sovereign. This information was received upon their part in a satisfactory manner, and they suggested that we should send up some officers to settle the exact nature of their future relations with us. We have taken advantage of the cold weather to despatch two political officers into the Shan States, accompanied each by a small column. These gentlemen have traversed the whole district from one end to the other in perfect security, and have been everywhere received in a cordial manner, both by the population and by the various chiefs. Not only so, but our agents have met on the extreme eastern frontier of Shan Burma the authorities of Siam, and have come to a preliminary understanding with them as to the frontier which is hereafter to divide the Shan States under British rule from those under Siamese jurisdiction. But what perhaps is even a more gratifying feature in the situation is the fact that the Government of His Majesty the Emperor of China is exhibiting towards us a most friendly spirit, and is doing everything we could desire to render the settlement of that part of Burma which borders on China easy and successful. The Viceroy of Yunnan has received instructions to order the officials on the Chinese frontier to cultivate friendly relations with us, and the effect of this action upon the part of China is now becoming very marked. I may mention, as an additional proof of the desire of China to exhibit a conciliatory spirit towards the Government of India, that she is using her best efforts to induce the garrison of Tibetans who have passed beyond their own frontier and have built a fort on a road which was made by the Indian Government in Sikkim, and over which we have definite and strict legal rights, to retire within their own territories. Consequently, although, as must always be the case in a new province recently added to the Empire, a very considerable outlay will be necessary

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in Burma with the view to furnishing it with roads, jails, barracks, and public buildings, and for the purpose of opening up what are undoubtedly its large material resources, I do not think that any one need apprehend that our expenditure in Burma will eventually prove a source of financial embarrassment to the Indian Government. Thanking the members of the Council for the patience with which they have listened to my few observations, for the generous spirit in which they have received the financial statement which has been placed before them, as well as for the valuable suggestions which have fallen from various members, I proceed to put the motion, namely, that the Bill to provide for the levy of a customs duty on petroleum be referred to a Select Committee, consisting of the Honourable Messrs. Scoble, Whiteside, Steel, Halliday and Westland."

The Motion was put and agreed to.

10th February 1888.

The Honourable Mr. Westland presented the Report of the Select Committee on the Bill to provide for the levy of a customs duty on petroleum. He said:—

"Last week I mentioned the two objects which would mainly have the attention of the Select Committee. The first of these was the definition of petroleum, and the second was the form in which it was proposed that the duty should be levied. As regards the definition, the intention was to levy a tax on those ordinary qualities of petroleum which are used for illuminating purposes. There are special qualities of oil which are imported, mostly of a more expensive nature, but which ought rather to be regarded as a raw material for manufacture. They are used for batching fibres and for lubricating machinery. The object we had in view in examining the definition was to frame it in such a manner that the tax would be levied upon those cheaper and ordinary kinds of oil used for illuminating, and at the same time would not reach those qualities which are imported purely for lubricating and batching. The solution of this difficulty we found in the Petroleum Act. That Act provides that, whereas ordinary petroleum, when it is imported, is subject to certain restrictions for safety's sake, that class which is required and imported for lubricating purposes, and of which the flashing point is 200 degrees or over, is exempted from these restrictions. The Petroleum Act does not mention oils which are used for batching, but I find that in practice batching oil is treated in exactly the same way as lubricating oil. Batching oil, like lubricating oil, is above 200 degrees flashing point. I am informed that oil which is below that flashing point can be used for batching; but the Chemical Examiner to Government states that, so far as specimens of batching oil have been submitted to him, he has not received any specimens of which the flashing point is below 200 degrees. It is obvious, therefore, that by this 200 degrees standard we can practically separate the two classes of oils which are imported – those which are imported for illuminating purposes, and which we desire to tax, and those special qualities which are imported exclusively for lubricating and batching purposes, and which we desire to exempt. The definition, therefore, exempts from taxation oils of which the flashing point is 200 degrees or over, and which are intended for lubricating and for batching purposes.

"Then, as regards the form in which the duty is proposed to be levied, the Select Committee have accepted the recommendation of the mercantile community to impose a fixed duty instead of an *ad valorem* duty. It is obvious that the levy of a fixed duty is much more convenient than a duty assessed *ad valorem*. The objections to it are mainly that the poorer classes, who naturally use the cheaper qualities of oil, are, by a fixed duty, made to pay a higher rate of taxation than the wealthier classes, who naturally use the more expensive qualities of oil. But enquiries show that in the case of kerosine oil there is very little difference in price between the lowest qualities which are imported and the highest. I find that, taking, for example, 3-13 rupees as the average price of imported oils, the cheapest quality is 7 annas below that and the dearest 7 annas above it. The values therefore being so near uniformity, it is obvious that a fixed duty will in its operation differ not very essentially from an *ad valorem*

duty; and therefore it may by preference be adopted, as in other respects its simplicity recommends it. I may mention that there is a very small quantity of high-priced oil imported. This high-priced oil will, by the levy of a fixed duty, escape its proper proportion of taxation; but it is better to accept the inconvenience of an inequality like this, than the greater inconvenience of applying all the difficulties of an *ad valorem* duty to the much larger quantity of the ordinary oils which are imported.

"Then, as regards the amount of the duty which we have inserted in the Bill, we have again accepted the recommendation of the mercantile community. The rate is a little heavier than that which was proposed in the original Bill. It comes to about 8 per cent., whereas, as originally proposed, the rate amounted to only 5 per cent., and the proceeds from the higher rate of duty are computed at about 10 lakhs, whereas formerly it was computed at 6½ lakhs. But the best opinion is that the trade can easily bear the higher rate of duty. Petroleum has so great an advantage over other illuminating oils in respect of the cheapness of its production, that this duty of half an anna per gallon will not materially modify that advantage. We are not in a position at present to refuse even 3½ lakhs which this additional rate of duty, suggested by the mercantile community, will give us. And it must be remembered in its favour that a tax on petroleum will be for the most part a tax upon the well-to-do classes, as petroleum is chiefly used in municipalities and large towns, while the ordinary rural villager still adheres to the dim light of his ancestors, and does not understand the arrangements of glass and brass which are necessary for the consumption of kerosine.

"I have one more remark to make, and that is to explain that we have adopted this fixed rate of duty per gallon in preference to a fixed rate at so much per case. There are two reasons for this: one is that which was given by the Honourable Mr. Steel at the last meeting of the Council, when he explained that it was perfectly possible, and even probable, that in a short time petroleum would be imported not in cases but in tanks; another reason is that the cases which arrive often suffer damage during transit, and the importer finds on their arrival that the cases are partly leaking and empty. The custom is for the importer, or rather the purchaser, after landing the cases, to make up, out of a number of leaky cases, a certain number of full cases. The result of applying the tax per gallon will be to avoid any question about charging empty cases otherwise than according to their ability to pay."

The Honourable Mr. Westland also moved that the Report of the Select Committee be taken into consideration.

The Motion was put and agreed to.

The Honourable Mr. Westland also moved that the Bill, as amended, be passed.

The Motion was put and agreed to.

— No. 2. —

FINANCIAL STATEMENT FOR 1888–89

SECTION I.—INTRODUCTION.

THE financial statement of March 1887 admittedly left the financial position in a state of unstable equilibrium. Its key note was the following paragraph, in which it was stated that the Government of India had, in consequence of increasing expenditure, exhausted all other resources available to it, but considered it too soon to address itself to the question of new taxation:—

"It may be added here that, in view of the causes which have led to an increase of expenditure, and to the other considerations which present themselves in connection with the financial situation, it is not the intention of the Government to add to existing taxation. The growth of expenditure in the Estimates of 1886–87 and 1887–88 arises in part from war charges and in part from a further fall in the exchange; and the Government is of opinion that it would be undesirable to seek to meet the deficit at present arising from these causes by the imposition of further burdens. The attention of Her Majesty's Government has, during the year now closing, been turned to the difficulties caused to the Government of India by the fall in silver, and the question of gold and silver currency has been submitted to a Royal Commission, the result of whose deliberations must be awaited. The present military expenditure in Upper Burma is of a temporary nature; and, although considerable sums must be expended during the next two or three years in opening up communications in Upper Burma, and in providing the public buildings necessary for the accommodation of the garrison and for the conduct of business, it may be expected that, with the return of order, the revenues of Upper Burma will expand, and that its resources will become, in an increasing degree, available. For the present, therefore, until the outcome of present difficulties is seen more clearly, the Government considers that, in providing for the necessary expenditure arising from its administrative needs, it should avail itself of resources which, in times of surplus, are assigned from its revenues to the construction of railways or to the diminution of the amount which it borrows annually for railways."

2. The situation during the course of the year became, in an increasing degree, more unfavourable. It soon became manifest that the reduction of Military Expenditure in Burma, which the Budget Estimates had hoped for, could not, for the present, be effected in such a considerable degree as to afford to the finances sensible relief. Opium prices fell off with greater rapidity than could have been foreseen, and our opium revenue threatened to fall short of Budget by Rx. 400,000. Railways from the first, instead of improving, as the experience of former years led us to expect, showed returns that were worse than those of 1886–87. Exchange, which seemed in February 1887 to have re-established itself for the time, rapidly dropped and settled at a rate of from $\frac{1}{2}$ *d.* to $\frac{3}{4}$ *d.* less than that which had been realized in 1886–87. Salt and other revenues showed favourable returns, and the expenditure, apart from exchange, was well within the estimates; but these favourable features were greatly outweighed by the unfavourable results which I have mentioned.

3. The causes which led to the deterioration here explained were not, for the most part, such as seemed likely to disappear with the close of the financial year then current. The Government therefore, before the first half of the year had expired, found itself face to face with the question of extra taxation. The result of their deliberations is already known to the public. It was determined that it was necessary to seek improvement of revenue to an extent of nearly Rx. 2,000,000. Some small items of new revenue presented themselves in connection with the new Province of Upper Burma. And the Government of India had already been considering the question of raising an import duty on petroleum. But these small items went but a short way to fill up the gap, and the Government, as is already known, came to the resolution of restoring the eight-annas salt duty which had been remitted in 1882. The increase of salt duty was imposed, on 19th January 1888, by a notification issued under Act XII. of 1882, and the necessary legislative measures were taken to raise a duty on petroleum.

4. A statement of the financial position was made on the occasion of introducing this Bill in January 1888, and the fulness of that statement, and of the discussions that took place upon it, a week later, will excuse me from entering, in this place, upon any explanations of a general character. I have to present little or nothing that is new, so far as the general position is concerned, and shall pass at once to the elucidation of the details which will apply to the particular estimates of the year 1888-89 the general conditions then set forth.

SECTION II.—ACCOUNTS OF 1886-87.

5. The following statement shows the actual figures of the accounts of 1886-87, and compares them with those presented as Revised Estimates for that year, in the Financial Statement of March 1887. The results agree in the main with those which were announced to Parliament in the Under Secretary of State's Financial Statement of 9th September 1887 (*a*), and which had already been published in the "Gazette of India" of 30th April (page 209):—

	1886-87.		Accounts Better.	Accounts Worse.
	Revised Estimate.	Accounts.		
REVENUE.				
India (Imperial and Provincial) - Rx.	75,754,200	77,010,111	1,255,911	—
England - - - - - £.	231,600	237,651	6,051	—
Exchange - - - - - Rx.	85,900	89,372	3,472	—
TOTAL - - - Rx.	76,071,700	77,337,134	1,265,434	—
EXPENDITURE.				
India:—				
Imperial - - - - Rx.	35,736,100	36,181,626	—	445,526
Provincial - - - - Rx.	21,200,900	21,112,381	88,519	—
Adjustment of Provincial - Rx.	—577,300	+35,665	—	612,965
England - - - - - £.	14,373,000	14,409,949	—	36,949
Exchange - - - - Rx.	5,338,500	5,419,086	—	80,586
TOTAL - - - Rx.	76,071,200	77,158,707	88,519	1,176,026
SURPLUS - - -	(*b*)500	(*c*) 178,427	177,927	—

6. It will be seen that the main features in this comparison are that the Revenue in India was Rx. 1,255,911 better than the Estimate of Rx. 75,754,200, and that the "Imperial" Expenditure in India was Rx. 445,526 worse than the Estimate

(*a*) "There has been an increase in the Revenue of Rx. 1,100,000; of which the Land Revenue gives Rx. 476,000; Salt Revenue, Rx. 117,000; Excise Revenue, Rx. 109,000; Railways, Rx. 166,000; and Revenue under other heads, Rx. 232,000; making a total improved revenue, as I have said, of Rx. 1,100,000. Of this improved Revenue, however, Rx. 420,000 belong to the Provincial Governments, leaving an improved Revenue, for Imperial purposes, of Rx. 680,000. Then, on the Expenditure side, the expenditure on the Army has been Rx. 400,000 more than was anticipated. The other heads, besides that of the Army, have altogether improved to the extent of Rx. 504,000, of which Rx. 202,000 belong to the Provincial Governments, leaving a net improvement on these other heads of Rx. 302,000. Altogether, the expenditure has been worse than was anticipated by Rx. 98,000; therefore, on the whole, taking into account the increase of Revenue and the increase of Expenditure, there has been a net improvement of Rx. 582,000, which will turn the surplus of Rx. 62,110, shown in my statement, into a surplus of Rx. 642,110."

But against this last figure the Special Defences expenditure was afterwards charged. See footnote under paragraph 11.

(*b*) Before deduction of Special Defences expenditure.

(*c*) After deduction for Special Defences expenditure. See footnote under paragraph 11.

Estimate of Rx. 35,736,100. Under other heads there is very little difference from the Revised Estimate, and the only case which calls for any remarks is the small excess of expenditure in England, which is due to some unexpected military charges. A complete account of the differences, and of the accounts generally, will be found in the Appropriation Report of the Comptroller and Auditor General, published in the "Gazette of India" of 24th March.

7. There is, apparently, a large difference under the head of "Adjustment of Provincial Expenditure," but it requires no separate explanation; as it is really the outcome of the large excess of revenue, which has already been alluded to, and which amounts, as just stated, to Rx. 1,255,911. Now, although the expenditure is distributed between Imperial and Provincial according to its class, so that some kinds of expenditure are Imperial and some are Provincial, the division of the revenues is quite different; Imperial and Provincial share, in definite proportions, the same revenues. Accordingly, the improvement of revenue by Rx. 1,255,911 was distributed between the Imperial account, which received Rx. 731,465, and the Provincial account, which received Rx. 524,446. According to the Revised Estimates, the Provincial expenditure was to be met as follows:—

	Rx.
To the extent of the Provincial revenues of the current year.	20,623,600
By drawing upon balances charged off the Revenues of former years.	577,300
Total Provincial expenditure as above -	21,200,900

But by the improvement of their share of the revenue, they not only met the whole of their expenditure out of their current year's revenue, but were able to lay by a small amount of Rx. 35,665. In other words, their account stood thus:—

	Rx.
Total Provincial expenditure (slightly less than estimated).	21,112,381
Provincial revenues, Rx. 524,446 better than estimated.	21,148,046

And the general revenue account therefore, instead of having to be relieved by the charge of Rx. 577,300 to past accumulations, had to be charged first with the whole of the expenditure, and then with the write-off of the further addition of Rx. 35,665 to these accumulations.

8. The two matters that require explanation are therefore the better revenue in India of Rx. 1,255,911, and the excess expenditure in India of Rx. 445,526.

Principal Revenue Heads.

9. Of the excess of revenue the explanation is that the revenue of the month of March 1887 was altogether exceptional.

The estimate of our principal revenues, which was published on 26th March 1887, was as usual a statement of 11 months' actuals (April to February), and an estimate for the remaining month of March. There are difficulties in estimating for the month of March which I shall afterwards explain; and the revenue of March 1887 certainly altogether exceeded our anticipations. The consequence was that, in publishing, one month after the Budget Statement, the usual monthly statement of accounts ("Gazette of India" for 30th April 1887), we

showed the following large excesses of revenue over the Revised Estimate append, for purposes of comparison, the actual figures as now made up:—

(In thousands of Rx.)	Budget Statement of 26th March 1887.	Monthly Statement of 26th April 1887.	Actuals as now made up.
Land Revenue	23,170	23,610	23,653
Opium	8,900	8,950	8,943
Salt	6,540	6,660	6,658
Stamps	3,720	3,750	3,751
Excise	4,270	4,370	4,375
Provincial Rates	2,940	3,020	3,000
	49,540	50,350	50,380

The unusually high receipts of March, therefore, under the six principal revenue heads, account for Rx. 810,000 of the improvement of revenue. The greater part of this is under land revenue, where the receipts were Rx. 440,000 more than estimated. It may be noted that in the two months of March and April we collect more than Rx. 6,000,000 out of the year's revenue of Rx. 23,000,000; and a more or less favourable season, or a more or less active collection, may well make the portion of revenue which comes within March vary by half a million. The last two years have been exceptionally favourable, for, whereas the collections of March had never before exceeded Rx. 4,360,000, they came up to Rx. 4,730,000 in 1885-86; and in the next year, that now under discussion, they exceeded Rx. 5,000,000. In the same way the collections under excise were also nearly Rx. 40,000 higher than those of any previous March.

Besides this, Rx. 810,000 under the principal heads of revenue, the railway receipts showed an improvement of Rx. 210,000; and this improvement is also due to the active traffic which developed itself in the last month or two of the year.

Army Expenditure and Special Defence Works.

10. The improvement in the revenue figures calls for no further remark. We turn now to the excess expenditure in India of Rx. 445,526.

This is for the most part under two heads, namely—

	Revised Estimate.	Accounts.	Excess.
	Rx.	Rx.	Rx.
Special Defence Works	(Charged to Loan Funds.)	123,110	123,110
Army Expenditure	14,068,700	14,620,516	551,816

11. The first of these charges refers to a programme of military works for the defence of our harbours and of our frontiers, which was alluded to in paragraph 24 of the Financial Statement for 1886-87. The Secretary of State, at first, following the example of the fortifications scheme of Lord Palmerston, directed this expenditure to be shown outside the revenue account. But the ground on which this policy was adopted in England, namely, the practical certainty that the amount which has been procured in the first instance by loan will

will be paid off out of the surpluses of future years, unfortunately does not apply to our existing financial circumstances. The Secretary of State, accordingly, as was explained in the Financial Statement made to Parliament last September,* has revised this decision; and, while he agrees with the Government of India in thinking that for expenditure of the kind, we ought not to have recourse to any increase of taxation, he considers that the actual state of our finances is more plainly set forth by an account which charges this expenditure against revenue even at the risk of showing a deficit, than by one which might delude us into thinking we had a surplus of revenue, by leaving out of the reckoning this heavy, though temporary, unproductive expenditure.

12. As regards the Army expenditure, it was again, as in the case of the revenue, in the accounts of the month of March, that our Estimates were over-passed. The statement of account published on 26th April 1887, to which I have already referred, showed that for military expenditure there had been an issue of Rx. 13,000,000 from the treasuries, as against Rx. 12,700,000, the estimate we had made a month earlier. This excess expenditure was practically entirely in connexion with the operations in Burma, and mostly arose out of heavy claims presented and paid during March, after the date of the information on which the Estimates were based. The final excess, it will be seen, is still larger than the Rx. 300,000 then shown.

13. These figures, therefore, dispose of the Revenue Account of 1886-87. The Revised Estimate anticipated an equilibrium of expenditure and revenue. In the end, we gained by an excess of revenue, which, after deduction of the provincial share, gave the Imperial Accounts an improvement of Rx. 731,465; but, as we had against this an excess of Imperial expenditure of Rx. 445,526 (including special defences now first brought within the account), and also an excess in the charge for exchange, the surplus of Rx. 500 taken in the Revised Estimates was increased only to Rx. 178,427.

14. The capital expenditure upon railways and productive irrigation works fell slightly short of the anticipations of the Revised Estimates, namely:—

	Revised Estimate.	Accounts.
	Rx.	Rx.
Railways - - - - - - -	5,170,500	5,123,105
Irrigation - - - - - - -	631,000	547,379

SECTION III.—ESTIMATES, 1887-88 and 1888-89.

15. In the statement of the financial position which I made on 27th January 1888, I presented an abstract of our account in a form which I thought suitable for the explanations I had then to give. I showed that the position in the Budget Estimate of 1887-88 was a position of practical equilibrium. I showed that we had to face a loss of opium revenue of Rx. 300,000, and a falling off of railway revenue by Rx. 400,000; that the charge for exchange had increased by Rx. 720,000; and that we proposed to meet these by enhancing the salt duty (Rx. 1,725,000), by a duty on Petroleum (Rx. 65,000, since raised to Rx. 100,000), and by minor measures in Burma (Rx. 100,000).

The

* "Now, these special defence works consist of frontier forts and harbour defences. They are most essential to the safety of India, and the Government are obliged to push them on with the utmost possible expedition. But, as these works are not productive works, it is contrary to the principles on which Indian finance is conducted that the charge should be otherwise than one against Revenue, and there is no doubt that if there is Revenue, and if the Revenue will bear such charges, they ought to be charged against Revenue. No one can have any desire that extra taxes should be placed upon the people of India for the purpose of meeting charges of this kind, and the Secretary of State has no intention of suggesting to the Government of India that any such extra taxes should be imposed. As regards the charge for 1887, the Committee will remember that the surplus which I was able to announce in 1886-87 would be large enough to bear the charge in 1886-87 for these special defence works; and, therefore, it is the intention, if the anticipation be realized of the Secretary of State, to pay for the special defence works out of the surplus of 1886-87."

The result, I then estimated, would be to improve our financial position from equilibrium to a surplus of Rx. 470,000; or, more accurately, from a surplus of Rx. 17,000 to one of Rx. 487,000.

16. I reproduce below the same form of abstract account which I then made up, repeating in the first column the figures which I then gave as those of the Budget Estimates of 1887-88, and showing in the second column the same figures as they would stand after the losses and gains just summarized. As I have, for present purposes, no object in displaying the exchange charge separately, I have distributed it in the second column over the six heads which are affected by it. This second column, therefore, shows the general financial position as it was left after the measures which were then explained and which have now, except as regards excise in Upper Burma, been brought into operation:—

	Budget, 1887-88.	New Financial Position, 27th January 1888.	Revised, 1887-88.	Budget, 1888-89.
Revenue Heads:		(In thousands of Rx.)		
Land Revenue	22,937	22,937	22,983	23,091
Opium	8,893	(d) 8,593	8,544	8,454
Salt	6,604	(c) 8,329	6,723	8,122
Excise and Stamps	7,942	(c) 8,012	8,351	8,464
Assessed Taxes	1,406	(c) 1,436	1,417	1,452
Other Principal Heads	6,345	(c) 6,410	6,538	6,629
TOTAL Principal Heads	54,127	55,717	54,556	56,212
Railway Revenue Account:				
Net Earnings	9,002	(d) 8,602	8,924	9,164
Deduct interest, annuities, and other charges	—8,600	(e)—10,854	—11,078	—11,279
TOTAL REVENUE ACCOUNT	54,529	53,465	52,402	54,097
Expenditure Heads, *net*:				
Interest	2,753	(e) 3,856	4,770	3,852
Civil Expenditure (a)	21,069	(e) 22,021	21,559	22,291
Opium Production	2,505	2,505	2,512	2,555
Post Office, Telegraph, and Mint	145	(e) 248	70	51
Irrigation	753	753	777	823
Civil and Military Works:				
Imperial	2,009	(e) 2,036	2,231	2,023
Provincial and Local (b)	2,220	2,220	2,831	2,531
Army, Ordinary	16,187	(e) 17,765	17,930	18,223
Army, Burma Account	720	720	1,550	824
Imperial Marine	547	684	445	384
Famine Insurance (Irrigation)	95	95	93	73
Railway Construction (charged to Revenue)	75	75	82	44
TOTAL, excluding Exchange	49,078	—	—	—
Add Exchange	5,434	—	—	—
TOTAL Expenditure	54,512	52,978	54,850	53,674
Surplus or Deficit, excluding Special Defence Charges	+17	+487	—2,448	+423
Expenditure on Special Defences (f)	464	750	569	1,121

17. I have added in this abstract, in the same form and in parallel columns, the Revised Estimates for 1887-88, and the Budget Estimate for 1888-89. The former should differ from our standard statement of 27th January last (*i.e.* the second column of figures) only by such special receipts and charges as we may

(a) Imperial Marine, which was included under this head in the statement of 27th January, is now separately shown below.
(b) Excluding the amount charged upon accumulated provincial Balances brought forward from former years.
(c) Increased revenue as above explained.
(d) Diminished revenue as above explained.
(e) The excess of the figures of the second column over those of the first column is the amount of the charge for exchange.
(f) Includes exchange.

may consider peculiar to the year itself, in the sense in which it may be said that the figures of any particular year necessarily differ, more or less, from what may be considered the general average financial position for that year. The Budget figures of 1888-89 should differ from the same standard in this respect, that, of the progressive revenues, we have one year's additional advance, and that, of so much of our expenditure as is progressive, we have also one year's additions.

Basis of Revised Estimates.

18. Before I proceed to explain these special features, I think it well to show exactly to what extent we can depend upon our Revised Estimates as representing the probable actual outturn of the accounts.

The date upon which our Estimates are presented to the public is practically determined by the provisions of Section 53 of the Act of 1858 "for the better government of India." This section prescribes that "the Secretary of State * * shall, within the first 14 days * * * after the first day of May in every year, lay before the Houses of Parliament an account for the financial year preceding that last completed, * * together with the latest estimate of the same for the last financial year."

Strictly speaking, the "latest Estimate" here referred to is one which we now prepare, about the beginning of December, on the basis of six months' completed accounts; but our methods of account are now so much more perfect than in 1858, and communication with England so much more punctual, that it is out of the question that we should present to Parliament in May an estimate founded on facts of no later date than the previous September.

We have, therefore, for many years past, arranged the preparation of our "Revised Estimate," so that it may be the "latest Estimate" presented to Parliament in the first fortnight of May; and this practically means that the Estimate must be completed some time in March.

19. By 20th March we have collected the preliminary accounts of revenue and expenditure for February, of which the leading figures, compiled from returns furnished by each of the 200 treasuries at which revenue is received and money issued for expenditure, are published every month in the Gazette. Thus, at the time of the issue of the Revised Estimates, we know, in very considerable detail, the receipts and expenditure of 11 months of the year; there remain only one month's actual transactions to be estimated.

20. Unfortunately this one month of March is by far the most difficult of estimate of any in the year. To the difficulty of estimating the receipts under Land Revenue I have alluded in paragraph 9, and the same thing occurs under other heads. Provincial rates are collected with Land Revenue, and there is the same uncertainty in their case, as in the case of Land Revenue, how much will come in in March and how much in April. We are in the heart of the rice-export season, and an early or a late season makes a great difference in the distribution between the current and the next financial year of the Rx. 700,000, which the duty each season brings into our treasury. Railways, of which the gross earnings average over Rx. 1,500,000 a month, are at their busiest time, and all public works expenditure is in its most active phase.

It is thus evident that a very full knowledge of the transactions of 11 months is not in itself an adequate equipment for making the Revised Estimate for the whole year. In practice, we make a moderate estimate only for the month of March, and, as the actuals of that month are apt to be better than our Estimate, the result, as in the case of the estimate of the year 1886-87, usually is that the accounts of each year give better results than the Revised Estimates.

21. The final results are known to us within moderate limits of error before the end of April (see paragraph 9 above); and, if our Revised Estimates could only be put off for one month later, and be closed on 20th April, instead of 20th March, we could present the account of the year with some assurance of its accuracy in all its main features. But, as already explained, the terms of the Act of Parliament practically forbid this course, and require us to close our estimates while the uncertainty of the month of March still hangs over us.

General Comparison of Revised with Budget.

22. The Revised Estimates for 1887-88 work out, it will be seen, to a deficit of Rx. 2,447,800, without reckoning the expenditure upon Special Defences, which, in the Budget Account, was charged to loan. This is worse than the Budget Estimate by Rx. 2,464,500.

23. The main differences we may account for at once under three heads—

First, the sterling charges for interest on debt have increased from 2,630,100 *l.* Budget, to 3,365,700 *l.* Revised, an increase which costs us, including Exchange, Rx. 1,059,000. This charge is really outside any consideration of our financial position, as it arises entirely through a special operation, which throws upon us the payment, within one year, of five quarters' interest upon 48 millions sterling of debt.

Secondly, the Burma military charges have, as I intimated in my statement of 27th January, largely exceeded the Budget Estimate. The excess, as will be seen from the Abstract Statement above given, is put down at Rx. 830,000, and will be explained in greater detail in the section relating to Army Charges.

Thirdly, there is the great loss by the fall in exchange, which I explained, on 27th January, to amount to about Rx. 710,000 upon expenditure included in the Budget.

24. These three items, therefore, account for a deterioration in our accounts of Rx. 2,599,000; so that, apart from these three causes, we have on the whole an improvement over Budget by Rx. 135,000.

This, as usual, is the balance of several losses and several gains. On our principal Revenue accounts, it will be seen, if reference be made to the statement in paragraph 16, we have received Rx. 54,556,000, against an estimate of Rx. 54,127,000, as the gain under Salt, Excise, Stamps, and other heads, has more than covered the loss of Rx. 349,000 under Opium. Salt has given us Rx. 119,000 (as we have probably lost as much during February and March, by the temporary disturbance of trade, as we have gained by the enhancement of duty). Excise and Stamps contribute Rx. 409,000, and Customs have been very productive, giving a return of Rx. 114,000, in excess of Budget.

The Railway account is worse than Budget by Rx. 302,000, for both the net earnings have fallen off by Rx. 78,000, and the charges against them have increased, quite apart from any question of exchange, from Rx. 10,854,000 to Rx. 11,078,000.

On the other hand, there have been savings or excess receipts, under several of the heads which, in the abstract statement, we have grouped as Expenditure heads. Among these we may note particularly an increase of Telegraph receipts of Rx. 131,000, which must for the most part be put down as a set-off against the excess of expenditure in Upper Burma, where the Telegraph charges of Public Departments are very high.

The enumeration of other smaller differences may be summed up in saying that, while we have found it necessary, during the course of the year, to make additional grants for expenditure in Upper Burma, for Irrigation, for Army charges, and for Political Expenditure, and in a few other matters, we have, on the whole, obtained, under other heads, sufficient savings to meet the charges so involved.

General Remarks on Budget Estimates for 1888-89.

25. The Budget Estimates will be best explained by comparing the figures with the standard financial position as explained on 27th January, that is, by a few words of remark in comparison of the second and fourth columns of the statement in paragraph 16.

26. The first question we have to settle, in casting up the Budget figures is the rate of exchange at which they are to be taken. That rate has been singularly

singularly steady throughout 1887-88, rarely less than 16¾ *d.*, and rarely higher than 17 *d.* It is certain that, upon Council Drawings of 1887-88, the exchange will be very close to 16·9 *d.*, or, putting it in the way that more nearly explains its effect upon our accounts, the Exchange charge will be as nearly as possible Rx. 42 per 100 *l.* The rate has dropped for the moment since the beginning of March; but the drop seems to be, partly at least, connected with the heavy drawings of the last month or two, and, as drawings will be on a smaller scale in 1888-89, we may reasonably hope to realise, on the whole, a rate equal to that of 1887-88. We have, therefore, reckoned the Exchange in the Budget Estimates at Rx. 42 for every 100 *l.*

The comparison of the second and fourth columns is, therefore, not affected by any difference in the rate of exchange.

27. The result, it will be seen, works out to a surplus only a little different from that which we anticipated; that is, to put matters from the point of view stated in paragraph 17, the one year's increase of revenue nearly covers the one year's increase of expenditure. In one respect, the year 1888-89 falls a little short of the standard we have established, for we do not, in that year, fully come up to our new standard of enhanced salt revenue. In Opium, too, we anticipate a smaller standard of revenue than in January last; but the revenue under Excise and Stamps and other heads is already sufficiently far advanced, beyond our standard, to cover these deficiencies, and give us, on the whole, an improvement of Rx. 495,000, under our principal revenue heads.

28. In the Railway Account, the estimates are moderately taken. We estimate for better earnings, but the charges against them equally advance, and we have a net excess outgoing of Rx. 2,115,000 against Rx. 2,252,000 of our standard account.

29. With the exception of the Army charges, the Expenditure heads are estimated at amounts not greatly differing from the standard of expenditure, for which we explained in January that we had to provide. The increase of Civil Expenditure is, on the whole, only one per cent. The heads of Post Office, Telegraph and Mint, we are warranted, by the figures of the current year, in putting down at a considerably lower figure of net charge than the Budget Estimates of 1887-88. The grants for Imperial Civil and Military Works have been cut down, as far as possible, to meet the existing financial necessities. Provincial Civil Works show an increase, the necessary result, under the provincial system, of the share of increase of revenue which falls within their account.

30. The main increase under the Expenditure heads comes under the head of Army, where, without reckoning the extra expenditure in Upper Burma, the net outgoings are estimated to increase from Rx. 17,763,000 to Rx. 18,223,000. This increase of expenditure cannot at present be avoided; it is a matter in which, for the time, financial considerations must of necessity yield to the more pressing requirements of the military position. The estimates of extra military expenditure in Burma are placed at a much lower figure than the actual charges incurred in 1887-88. Certain special causes of increased expenditure, which were present in 1887-88, are not likely to repeat themselves in 1888-89, and measures are being taken to reduce the scale of expenditure on the force serving in Upper Burma.

31. Having completed this more general review, I pass on to an examination of the main heads of Revenue and Expenditure set forth in the statement in paragraph 16 above.

Land Revenue.

32. The figures of Land Revenue show considerable irregularity when they are made up by the financial year, as will easily be understood from the circumstances stated in paragraph 9. But, if the accounts are made up by the 12 months ending September, so as to close at a time when the collections of one

season are for the most part finished, and those of the next not yet begun, the figures present a more regular appearance, and show a steady advance of revenue year by year.

LAND REVENUE during the Twelve Months ending 30th September.

(In thousands of Rx.)	1881.	1882.	1883.	1884.	1885.	1886.	1887.
India - - - - -	99	91	88	96	110	110	116
Central Provinces - - -	608	609	612	613	613	615	619
Burma - - - - -	1,036	1,060	1,099	1,166	1,133	1,137	1,222
Upper Burma - - - -	–	–	–	–	–	39	235
Assam - - - - -	385	379	396	404	410	420	401
Bengal - - - - -	3,687	3,880	3,801	3,680	3,915	3,799	3,756
North-Western Provinces and Oudh.	5,653	5,848	5,782	5,769	5,809	5,784	5,798
Punjab - - - - -	2,112	2,099	2,075	2,058	2,153	2,157	2,146
Madras - - - - -	4,777	4,556	4,721	4,779	4,492	4,807	4,864
Bombay - - - - -	3,119	3,095	3,083	3,407	3,316	3,342	3,373
TOTAL - - -	21,476	21,617	21,657	21,972	21,951	22,210	22,510
See Note - - -	665	694	677	676	734	811	880

The figures in the lowest line are the alienated Land Revenue of Bombay, which, in the system of accounts of that province, are added on the Revenue side, and charged again as expenditure under Assignments, Land Revenue, and Police. The amounts are neglected in the statement itself.

It will be remembered that a portion of the total receipts of Land Revenue is in the accounts shown under the separate head of Irrigation.

33. Although the growth of revenue shown in the above figures has been very steady, it can hardly, from a financial point of view, be said to be satisfactory in amount. It has been less than one per cent. a year, and is on the whole a poor return for the money which Government has spent, in the form of railways and of canals, in improving its estate.

But the fact is that the period covered by the above statement represents, in a general way, the close of the 30 years' settlements in several of the provinces, and the Government is only now beginning to reap its share in the advance of the past two or three decades. Settlement operations are at present being carried on on a more extensive scale than at any previous time, and we have every reason to expect a handsome increase of revenue under this head.

New Settlement System.

34. During the last few years (and in a great measure in preparation for this re-settlement of revenue) a very great improvement has taken place in Northern India in the administration of this important head of revenue, and in the means adopted by the Government to assess and settle from time to time that share of the produce of the land which has in all ages been the main source of the revenue of the sovereign powers in India.

As no systematic review has recently been published of the position and prospects of this our most important head of revenue, I propose to take up the subject in some detail, both from an administrative and from a financial point of view, the materials having been supplied to me by Sir Edward Buck, the Revenue Secretary to the Government of India, to whom personally is due by far the largest share of the credit of the improvements effected.

35. The system of land-assessment has hitherto, in every Province, involved the complete survey, field by field, of every village; an operation which was rendered necessary by the absence of correct maps at the commencement of the 30-year period. The object of the system now introduced is to preserve,

preserve, and to correct up to date, the records upon which the surveys and settlements are based, so that the re-settlements, when they fall due, may be made upon existing records, and may not require an elaborate investigation *de novo*. The maps which have been provided by the great cadastral survey which has now almost drawn to an end, are in future to be corrected up to date from year to year by permanent establishments in which the patwáris or village accountants occupy the most important place. In the same way the settlements now being completed have involved a complete revision of all records-of-rights including details of the occupancy of every field, and these records, like the maps, are in future to be maintained from year to year by the permanent establishments. The assessment included also the valuation of the soil and productive powers of every field; but the valuation made during the past 30 years will in future revisions of settlement be accepted without material alteration. Three important elements of expenditure have thus been eliminated from future settlement operations, *viz.*, the cost of periodical field surveys, of revisions of records-of-right, and of soil valuations. The introduction of the new system is made possible both by the more complete maps and records which have been supplied by the operations of the past 30 years, and by the creation of Agricultural Departments which are permanent Departments of Survey and Settlement.

36. An examination of the cost under the old and new systems has recently been made in pursuance of the inquiries of the Finance Committee, with the object of ascertaining the financial effect of the new arrangements and the probable cost of future settlement operations. This investigation is not complete, but it points to a maximum expenditure, in future, of R. 100 a square mile, including the cost of additional establishment, and in some Provinces to a considerably lower figure. The comparative results are shown in the following table, in which a maximum rate of R. 100 is applied to all provinces :—

Province (excluding Assam).	Rate per Square Mile under the old System at Rates recently Prevailing	Average Expenditure per Annum at Rates in Preceding Column.	Average Expenditure per Annum at the Maximum Rate of R. 100 per Square Mile.
	R.	Rx.	Rx.
North Western Provinces and Oudh	350	115,000	30,000
Punjab	200	50,000	25,000
Central Provinces	220	35,000	15,000
Bengal	350	17,500	5,000
Madras	440	70,000	15,000
Bombay	260	65,000	25,000
Total	303	352,500	116,000

showing an ultimate annual saving of Rx. 236,500.

The above table is based on an estimate of the maximum cost which may be incurred in the revision of assessments when the new arrangements have been completely established. In the meantime some saving has been already made by their partial introduction, and by measures which have recently been taken to accelerate the current revisions of settlement. Under the programmes which have been arranged in recent conferences with the local authorities, there has been effected a saving either in the expenditure on survey and settlement, or in the more punctual recovery of increments of new revenue, which, in three Provinces—the Central Provinces, Punjab, and Madras—is estimated at a gross amount of Rx. 2,000,000 during the next ten years, or an average of Rx. 200,000 a year during the next decade. In these and other Provinces the new increments of Land Revenue to which the Government is entitled will henceforth be assessed and collected up to date, while hitherto they have in many cases come into force only several years after the date of the expiry of the old settlement.

37. The general growth of the Land Revenue is exhibited in the following table :—

TABLE showing Growth of LAND REVENUE (including Permanently-settled Tracts).

(The Figures are Thousands of Rx.)	Receipts, 1856–57.	Receipts, 1870–71.	Average annual Growth (14 Years).	Percentage of Increase (14 Years).	Receipts, 1886–87.	Average annual Growth since 1856–57 (30 Years).	Percentage of Increase (30 Years).	Receipts, 1890–91 (Rough Estimates).	Average annual Growth since 1870–71 (20 Years).	Percentage of Increase (20 Years).
North Western Provinces -	3,920	4,130	15	5	4,390	16	12	4,560	21	10
Oudh - - - - -	970	1,920	25	36	1,410	15	45	1,470	7	11
Punjab - - - - -	1,840	1,970	10	7	2,150	10	17	2,210	12	12
Central Provinces - -	570	600	2	5	620	2	9	650	2	8
Bengal - - - - -	3,540	3,760	16	6	3,740	7	6	3,800	2	1
Madras - - - - -	3,800	4,400	43	16	4,860	35	28	4,900	25	11
Bombay (*a*) - - -	2,150	2,950	57	37	3,370	41	56	3,450	25	17
Assam - - - - -	80	210	10	162	400	11	400	420	10	100
Lower Burma - - -	410	600	14	46	1,220	27	197	1,230	31	105
Minor Provinces - -	20	20	–	–	120	3	500	120	5	500
	17,300	19,960	190	15	22,280	166	29	22,810	142	14

(*a*) Excluding Alienations.

The figures show actual collections both of Land Revenue and of miscellaneous items classed as Land Revenue, *e.g.*, sale-proceeds of waste lands; water-rates in Madras; nominal revenue assessment on lands assigned for service in Bombay; capitation-tax and receipts from fisheries in Burma and Assam.

38. Three periods are taken, *viz* :—(1) the first 14 years after the mutiny, during which the growth was at the rate of Rx. 190,000 a year; (2) a period of 30 years from the mutiny to the present time, during which the growth was at the rate of Rx. 166,000 a year; (3) a period of 20 years (partly estimated) from 1870-71 to 1890-91, during which the growth is at the rate of Rx. 142,000 a year.

39. It will not fail to be seen that, while the 14 years preceding 1870-71 showed an annual increase of Rx. 190,000, the rate of increase in the 20 succeeding years has averaged only three-fourths of this. The reasons for this are, that the first period was, in many parts of India—Oudh and Orissa, for example—a period of active re-assessment and settlement, and that therefore, during the second, there was less of the growth of revenue which comes in from settlement operations; that a large accession of land revenue occurred after the mutiny in consequence of confiscations; and finally, that there was, between 1860 and 1870, a rapid increase in the cultivated area of the provinces of Bombay and Madras, in which the system of land-settlement is such that newly-tilled land comes under annual assessment, and in which the demand for cotton during the American war gave a powerful impulse to cultivation. On the other hand, a corresponding check to cultivation occurred in the same Provinces during the last of the three periods in consequence of the drought of 1877-78.

40. Notwithstanding these causes of exceptional growth in the beginning of the post-mutiny period, it may reasonably be expected that the capital outlay which the Government has recently devoted to irrigation and railways will, during the next few years, bring to it a larger return from the land, by reason of the great improvement of its produce, both in quantity and value, by the agency of canals, and the opening-out of communications. In these accessions to the landed income of the State strict regard will be had to the principles which have invariably been followed by the Government of India in the assessment of the land, its guiding policy having always been the lenient consideration of the proprietary classes. During 30 years of peace and progress, the rentals of tenants have, through the cultivation of new fields or the imposition of new rents by landlords, been continually expanding, and, in some of the most fertile areas of India, the landlords themselves have, without the intervention of the Government,

Government, materially enhanced the rent paid to them, while at the same time that proportion of it paid by them to the State has been continuously reduced to lower and more definite limits. In the same way, a lenient consideration is extended to the agricultural community in Provinces where the cultivators or cultivating proprietors are assessed by the State itself, so that in these also the percentage of produce paid as land revenue has been constantly decreased.

The growth of land revenue, therefore, which is to be anticipated will be a growth due to that peace and prosperity which directly spring from a lenient and careful administration, rather than to any direct action of the Government in the direction of raising rentals.

A brief review of the position in each Province will now be given.

Review by Provinces.

41. *North-Western Provinces.*—The old system comes to a final end within the next two years. The greater part of the province is held by tenants on small holdings of a few acres paying rent to landlords who are charged with a payment of 50 per cent. of their assets to Government. The advanced condition of the Province led the Secretary of State to inquire, so long ago as 1863, whether a permanent settlement could not be introduced; but a final consideration of the subject between 1882 and 1884 ended in the adoption of the system already described, under which annually revised maps and records are made the basis of assessment.

The rate of growth of land revenue in the North-Western Provinces since the mutiny year has, however, been moderate. In the first 14 years it was only 5 per cent. (say ·35 per cent. per annum), but it has in the current period of 20 years risen to 10 per cent. or ·5 per cent. per annum. There was in the North-Western Provinces less room for extension of cultivation than in most parts of India. Lying mainly in the fertile alluvial plain between the Himalayas and the high lands of Central India, the Province attracted a large population at an early historical period, and it was at the period of the mutiny highly assessed. But the large amount of State capital spent since that time in the form of railways and canals, and the contemporaneous rise of prices has given a fresh impulse to agricultural wealth, and the Province is now in many districts as lightly, as it was formerly heavily, assessed. A considerable amount of relief was given at the commencement of the thirty-years period of settlement now expiring, by the reduction of the standard of the State demand from 66 per cent. of assets to 50 per cent.—a change which was, however, somewhat counterbalanced by the high valuation of assets made under the rules which governed the operations of the Settlement Officers. The relief is now made complete by the elimination of soil valuation from the assessment system, which, except in cases of suspected fraud, requires that the recorded assets should be accepted as a basis of assessment. Rentals are in many districts still growing at a rate of about 1 per cent. per annum, and in certain tracts the growth is likely to be so great that, even under the lenient system now adopted, some difficulty may be anticipated in taking the Government quota in full at the next settlement from the landlords, on account of the large and sudden increase which would be involved in such an assessment.

42. *Oudh*, with the exception of a closely-populated tract between Lucknow and Benares, came under much later development than the North-Western Provinces. Its revenues were not, until after the mutiny, brought under the effective administration of the British Government, who applied to it the same system of settlement as that which prevailed in the North-Western Provinces. The tenants of Oudh have less positive rights than those of the adjacent Province, as in the latter the greater number are more securely protected by statutory rights against unlimited enhancement of rent. There is, therefore, a prospect of a larger growth of rental, and also of revenue, in Oudh than in the North-Western Provinces. The land is rich, the climate favourable, and, although since 1860 the extension of cultivation has been very large, considerable areas still remain to be brought under the plough. Competition for the land is likely to increase, and with it the enhancement of the rents by the landlords, who have in Oudh practically a free hand. The development of the Province under British rule has been very great, and is still, with the extension of railways, progressing at a rapid rate. The Province will come under re-assessment on the new or economical system, between 1892 and 1906.

43. In the *Punjab* there is a large proportion of dry sandy soil which is only capable of development under the influence of irrigation. Subsoil water is generally too far from the surface for wells, and the growth of revenue depends mainly on the expenditure of State capital on canals. The revenue-payers are for the most part cultivating proprietors paying direct to Government, no part of the produce being intercepted by middlemen. A large amount of State capital has been in recent years invested in the Province in railways and canals. Under these circumstances the growth of the land revenue, which has since the mutiny been slow, should now progress at a rapid rate.

The revision of settlement has, under the old system, involved, as in the North-Western Provinces, a high rate of expenditure and protracted operations, but only a very few districts now remain to be completed under that system, and measures have recently been taken to expedite their assessment. The whole Province will then come under the operation of the new rules which require the settlement to be based on annual maps and records.

44. The *Central Provinces* have shown a very small development of land revenue since the mutiny. They have been to a great extent cut off from the railway system, and have at the same time been lightly assessed. The revision of settlement takes place during the current decade, commencing with the first year of the present Provincial Contract, 1887-88, and it is estimated, after nine years, to yield an increase of Rx. 180,000. Owing to the backward state of the Province, the low rates now paid to Government, and the new development of the railway system which is taking place, it has been determined to make the new settlements for terms varying between twelve and twenty years, so that the re-assessment of the Province will recommence shortly after the termination of the existing revision.

The revision of settlement is being made at present partly on the old and partly on the new system, but at a low cost not exceeding 100 rupees a square mile. The same necessity for a complete series of maps and records has existed in this as in other provinces, but, owing to the circumstance that the revision of annual records was commenced, with the creation of the Agricultural Department, five years before the old settlements began to expire, there has been more time than elsewhere to utilize the village and district establishments in the work of preparing for settlement. Arrangements were made under which a large number of parties of the Survey of India have covered the surface of the Provinces with a network of triangulation available both for topographical and revenue purposes. These are filled in by the village officers under the supervision of the local revenue officers, and they provide sufficiently good maps as a basis for future revisions of assessment. The revision of the record is also primarily effected by the permanent establishments, leaving only the valuation of soils and general supervision to be effected by a special staff. At the close of the present revision, nine or 10 years hence, the new system will be introduced, and the cost be brought considerably below the new maximum of 100 rupees a square mile.

The land is held, as in the North-Western Provinces and Oudh, by cultivators of small holdings paying rent to proprietors from whom the Government takes revenue. But, whereas in those Provinces the landlords have the power, which is freely used, of raising rents contemporaneously with increase of competition and rise of prices, they have no such power in the Central Provinces. The growth of rent and, therefore, of revenue entirely depends, except in land newly taken into cultivation, on the periodical assessments of rent made by the Government at the time of settlement. The existing rents are, in most parts of the Province, an unusually small fraction of the total value of the produce; while, in consequence of the rising prices due to the extension of the railway system, the disproportion is continuously becoming greater. The area of culturable land still to be brought under the plough is exceptionally large. The Province is one, therefore, from which a material growth of land-revenue may be looked for.

45. Thus far the Provinces dealt with are those popularly known as the "temporarily-settled zemindari" or "landlord" provinces. I will next refer to *Bengal*, which is recognised generally as a "permanently-settled landlord province." But there are in Bengal not less than about 14,000 square miles which belong to the temporarily-settled landlord class, and of which the old settlements will shortly fall in. In respect of this tract, preparations are now being made

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for punctual assessment on much the same plan as in the Central Provinces, and at equally moderate rates of cost, by the Agricultural Department of the Province.

The area in question comprises large tracts in Orissa and Chittagong, and several Government estates. It will hereafter come entirely under the new system. An increment of land revenue of 20 per cent. would in this area be equivalent to a fixed addition of 10 lakhs a year to the annual demand.

46. The Province of *Madras* must be divided into sections, the permanently-settled zemindari or landlord area, and the temporarily-settled ryotwari or tenant-proprietor area. The first is about 48,000 square miles, and the second about 93,000 square miles, or roughly one-third and two-thirds, respectively. The settlement on the old system, which required a complete series of field maps and a valuation of soils, is now drawing to a close, and is being hastened by assistance lent to the local Survey Department by the Government of India. In a few years the whole Province will, in accordance with the intention which for some time has been declared by the Madras Government, be permanently relieved of special Settlement and Survey establishments.

The growth of land revenue in the tenant-proprietor tracts takes place in two different directions. There is the periodical growth due to the increase of rent-rates at the end of every 30 years' period, and the annual growth due to the gradual increase of the area brought under cultivation. For in Madras all tenant-proprietor waste land has an annual rate attached to it at the time of assessment, which is applied and collected whenever the land is occupied. The periodical growth (that is, the increase of rates between the last settlement and the one now being completed) is roughly estimated at from five to seven per cent., and the annual increment due to increased cultivation at Rx. 10,000 per annum. The rate of increase under this latter head will necessarily fall off as less land becomes available.

47. In *Bombay* the same general conditions prevail as in the ryotwari or tenant-proprietor area of Madras. The growth rate, however, is not checked by the presence of permanently-settled land, and has, as in the temporarily-settled section of Madras, a double growth, the one being due to the periodical increase of rent-rates every 30 years, and the other to the annual occupation of fresh land at the revenue-rates which were attached to it at settlement.

The whole Province has in recent years undergone a thorough and searching revision of assessment which is now drawing to a close. This revision has been in the hands of a separate Survey Department, which will within five or six years be gradually broken up and absorbed in the new establishments, and the Province will then come permanently under the new system. It may be noticed here that both in the Madras and Bombay Presidencies the holdings or small farms of tenant-proprietors have had their boundaries fixed once and for ever by the Survey Department, and that instead of, as in other provinces, the map requiring annual revision in order to keep it in accord with changing boundaries, it is here necessary to maintain the boundaries in accordance with the map as originally made. This duty, as well as that of the maintenance of the statistical record, is on the close of settlement operations in each district made over to the Agricultural Department.

The growth of land revenue has been more satisfactory in Bombay than in any Province. It began in a marked degree with the impetus given to cotton production at the time of the American War, and has been continued under the influence of rising prices, extended cultivation (and in Sind, extended irrigation), supplemented by a careful system of assessment.

48. In *Assam* the very backward state of the Province, and the absence of communication with the seaboard in the years immediately succeeding the mutiny, have made the growth of revenue in the latter years appear to be exceptionally rapid. A part of the Province (about 9,000 square miles) is, however, under the permanent settlement system of Bengal, and the growth of revenue depends on the remaining area, which is temporarily settled, chiefly with tenant-proprietors at rates which are practically fixed, as there is hardly any competition for land on account of the great extent of waste area which can be taken up. The most fully-occupied portion has been revised on the system employed in other temporarily-settled Provinces, and this revision is nearly completed. The remainder

will probably be surveyed and settled on a cheaper system under the direction of the Agricultural Department, and the whole Province will thereafter come under the new arrangements. As in Bombay and Madras, there is an annual growth (estimated at from Rx. 8,000 to Rx. 10,000 per annum) which is almost solely due to new occupation, as there is here no periodical growth due to increase of rates.

49. *Lower Burma* has been undergoing for some years a regular revision of settlement, of which about one-fifth, or nearly 10,000 square miles, is completed. Each district, when it leaves the settlement officer's hands, is made over to the permanent care of the Agricultural Department, which will henceforward be responsible for maintaining the maps and records. The land is held by tenant-proprietors, and there is again in this Province a double growth due to annual increase of occupation and to periodical increase of rates. The annual assessments are complicated by the release of all fallow land from payment of any but a nominal revenue, but there is a steady extension of cultivation which, supplemented by the effect of a careful survey and assessment, has resulted in a growth of from two to three lakhs a year on a comparatively small total revenue. Lower Burma is practically a large rice field formed by the alluvial deltas of the river systems, and at present it yields only one per cent. of other produce. About 37,000 square miles, or 84 per cent. of its cultivable area, are still uncultivated, and there is room for further growth both by extension of cultivation and by the improvement of the agricultural system through the introduction of other crops. The soil is rich.

50. *Upper Burma* is composed of high lands, the agricultural value of which is under examination. The land revenue is, like that of all border Provinces on first occupation, initially small; but there is an equal promise of the same steady growth in the future which has taken place elsewhere.

51. The increase of revenue in minor Provinces under the direct control of the Government of India is mainly due to the re-assessment of the little district of Ajmir and the addition of Quetta.

Opium.

52. The following are the statistics of opium for a few years past:—

	1881–82.	1882–83.	1883–84.	1884–85.	1885–86.	1886–87.	1887–88 Revised.
	(Thousands of Rx.)						
REVENUE—							
Bengal sales	7,465	6,890	6,804	6,052	6,296	6,147	6,034
Bombay duty	2,185	2,396	2,508	2,538	2,449	2,583	2,297
Excise and Miscellaneous	212	214	245	226	197	213	213
TOTAL	9,862	9,500	9,557	8,816	8,942	8,943	8,544
EXPENDITURE—							
Cultivation and Manufacture in Bengal.	1,931	2,156	1,722	2,828	2,914	2,593	2,273
Agency establishments and other expenditure.	127	127	133	139	144	136	139
TOTAL	2,058	2,283	1,855	2,967	3,058	2,729	2,512
STATISTICS—							
Price in Bengal - *Rupees*	1,324	1,222	1,250	1,296	1,235	1,123	1,059
Chests paid duty in Bombay	31,196	36,327	38,586	39,039	37,677	39,745	35,374

53. During this period there has been a steady downward tendency in prices to Calcutta the exception in 1884-85 being due to the fact that in that year the number of chests offered for sale was much smaller than it had been for several years before, or has been since. The price during 1886-87 fell from 1,180 rupees in the beginning of the year to 1,098 rupees at the end of it, the fall being due

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in a large measure to the operation of the additional article of the Chefoo Convention, which came into force on 1st February 1887, and added to the burden which the opium had to bear at the Chinese end of its voyage.

The same influence continued to operate in 1887-88, for the price gradually ran down to 1,029 rupees in September. Since that date, however, there has been a recovery, the price having risen to 1,067 rupees in February, though it dropped again to 1,042 rupees in March. This gives an average of 1,059 rupees for the whole year. For next year we take what we hope is a moderate estimate, reckoning the selling price no higher than the March figure of 1,042 rupees, and assuming for the present that there will be no alteration in the number of chests brought to sale. This gives us, for the Budget Estimate of Bengal sales, Rx. 5,939,000.

54. The expenditure upon the production of Bengal opium is a very variable quantity, and depends very largely upon the season. We have lately had seasons which are almost too favourable from a financial point of view, for, beyond the necessity of our maintaining a sufficient reserve against bad seasons, it is not to our advantage to produce more chests of opium than we can well dispose of. In 1882-83 the production was as low as 38,214 chests, but in the three succeeding years we have got 65,993, 64,930, and 64,500. The year 1887-88 is estimated to produce 58,814, which must also be taken as a fairly good season, and it has cost us only Rx. 6,600 more than the Budget Estimate of Rx. 2,500,000. For next year we take a good average, and put down the cost at Rx. 2,555,000.

55. The Revenue from Bombay opium is not so directly affected as that of Bengal by the additional burden of taxation on the China side. Since 28th June 1882, the duty has been 650 rupees per chest, and the amount of export has been very steady. The high figures of 1886-87 are no doubt due to the rush at the end of that year to get chests landed before the Chinese duty of 110 taels came into force; for it was followed by a considerable lull in the beginning of the year 1887-88. The export, however, has been more active during the later months of 1887-88, and, reckoning up to 3rd March, the number of chests that had passed the scales was only 64½ less than the amount in 1885-86. But about that date a portion of the Malwa crop was severely damaged by a storm, and the merchants immediately held back their opium in expectation of higher prices, so that during the week ending 10th March only 80 chests came forward against an average expectation of 1,000. Later accounts are more favourable; but, on the whole, we estimate for a somewhat lower duty than that of 1885-86.

Salt Revenue.

56. The following may be taken as a statement of the average supply of salt in India:—

	Maunds.
Northern India salt sources (mainly the Sambhar Lake and the Mayo Salt Mines).	7,200,000
Bengal—Imported by sea - - - - - - - -	10,300,000
Madras—Local manufacture, all along the coast - -	7,800,000
Bombay—Local manufacture, chiefly near the Rann of Cutch	6,300,000
	31,600,000
Burma—Mainly imported by sea - - - - - -	1,600,000
Total - - -	33,200,000

57. Before 19th January 1888 the rates of duty were two rupees in Continental India, and three annas in Burma, and on that date they were

raised to 2-8 rupees and 1 rupee respectively. At these rates the Salt Revenue would stand as follows:—

	Before 19th January.	After 19th January.
	Rx.	Rx.
Duty in Continental India - - -	6,320,000	7,900,000
Duty in Burma - - - - -	30,000	160,000
Other Receipts - - - - -	300,000	300,000
TOTAL - - -	6,650,000	8,360,000

The actual Salt Revenue of 1886-87 was Rx. 6,657,600, and, as I mentioned in my statement of 27th January, the consumption of the current year was only slightly in advance of that of 1886-87.

58. There are two reasons why we cannot expect to gain, at once, the higher standard of Revenue above noted as that corresponding to the higher rate of duty. In the first place, by the operation of Section 37 of the Sea Customs Act, all salt which was at sea and as yet unlanded, will continue to pay the lower rate of duty. This would cost us in Bengal, at the ordinary rate of importation, the amount of the enhanced duty on about 2,000,000 maunds in 1887-88, and 500,000 maunds in 1888-89, say Rx. 100,000 in 1887-88 and Rx. 25,000 in 1888-89. Besides this, stocks will for some time be allowed to run down, and the higher-taxed salt will have to wait for a little till the lower-taxed salt, now in stock, has passed into consumption; the deliveries of the month of February have, for this reason, been unusually low. Taking these circumstances into consideration, we have estimated to obtain a revenue of only Rx. 6,723,100 in 1887-88 and Rx. 8,122,500 in 1888-89. For the full measure of the enhanced revenue, we shall have to wait till 1889-90.

Effect of enhanced Duty.

59. The following statement gives the retail prices of salt in the different provinces of Bengal at the end of the two fortnights preceding and the two fortnights succeeding the increase of the duty:—

	2nd half of December 1887.	1st half of January 1888.	2nd half of January 1888.	1st half of February 1888.	2nd half of February 1888.
	Rupees per Maund.				
Central Provinces - - -	3·80	3·83	4·38	4·40	4·44
Burma - - - - -	1·71	1·74	1·93	2·0	2·09
Assam - - - - -	4·23	4·20	4·68	4·65	4·78
Bengal [West] - - - -	3·15	3·17	3·61	3·61	4·09
„ [Central] - - - -	3·42	3·47	4·03	4·17	4·41
„ [East] - - - -	3·60	3·60	4·02	4·09	4·40
„ [Behar] - - - -	3·37	3·38	3·89	3·95	4·20
„ [Orissa] - - - -	3·19	3·19	4·21	4·10	4·18
North-Western Provinces - -	3·30	3·41	3·62	3·69	3·76
Oudh - - - - - -	3·33	3·62	3·47	3·68	3·73
Punjab - - - - -	2·82	2·82	3·11	3·22	3·27
Madras - - - - -	2·89	2·92	3·27	3·33	3·38
Bombay - - - - -	3·13	3·19	3·55	3·54	3·47
Sindh - - - - - -	2·78	2·85	3·38	3·30	3·39
Berar - - - - - -	3·67	3·60	4·05	4·30	4·18

60. Comparing

60. Comparing the prices of the 1st half of January with those of the second half of February, it appears that in the Central Provinces, Assam, Sindh, and Berar, the increase varied from 0·51 to 0·58 of a rupee. In Bengal it was considerably more, varying from about 13 annas to nearly a rupee. In the other Provinces the increase was less than half a rupee. The average increase of retail price for all India was 0·55 of a rupee, or about eight annas and nine pies, being a little more than the increase in the rate of duty.

61. It is not possible to state exactly what is the average annual rate of consumption of salt in any particular province, and it is certain that the consumption varies very much. The average rate of consumption for all India is a little under 10½ lbs. a head of the population. At the rate of half an ounce a day the average consumption would be 11 lbs. 6 oz. Assuming for the purpose of the moment that it is as much as 12 lbs., it may be taken that a man with a wife and three children will consume 42 lbs. in the year between them. Let their consumption be taken at 50 lbs. At the present average price of, say, Rupees 3-14-1 a maund, the salt of the family will cost about two rupees and six annas in the year. This is about 16¼ per cent. in excess of the cost before the duty was raised, so that the man's contribution to the salt-duty may be taken as having been raised from about two rupees to two rupees six annas nine pies a year.

I do not enter into the question, on which there is much diversity of opinion, as to the manner in which the actual incidence on individuals, which I here state only in averages, is affected by the social customs of the people.

Stamps and Excise.

62. The statistics of Stamp and Excise Revenue may be given in a single statement. They are both regularly progressive, and it may be said that almost without exception the revenue of each province under each of these heads is, in each year, more or less in advance of what it was the year before. For this reason it is not necessary to do more than give the figures of the first and last of the years under review:—

	Stamps.		Excise.	
	1880-81.	1886-87.	1880-81.	1886-87.
	(Thousands of Rx.)			
India	27	42	22	73
Central Provinces	113	147	186	257
Burma	78	89+3*	218	247+7*
Assam	62	74	196	220
Bengal	1,139	1,346	855	1,013
North-Western Provinces	536	637	369	578
Punjab	327	352	111	137
Madras	547	582	628	917
Bombay	422	479	550	926
Total	3,251	3,751	3,135	4,875

63. As regards the stamp revenue, little remark is required. Of the whole amount, about 70 per cent. represents the income from court fees, and may be taken as the revenue side of the account to which the expenditure on Civil and Criminal Courts (under Law and Justice) and on Revenue Courts (under Land Revenue) is charged. The practice of levying fees by stamps has, during the last few years, been extended to some small items which formerly came in as cash receipts under the heads above quoted, and a small part of the increase shown in the above figures does not represent new revenue.

64. As

* Upper Burma.

64. As regards excise, it will be seen that it is in Madras and Bombay that the revenue administration has been most successful, as these two Provinces, with 31 and 16½ millions of inhabitants, respectively, produce a revenue nearly as large as that of Bengal with 69 millions. In fact, in both these provinces, a very remarkable progress has been made. The whole system of distillation has been more thoroughly brought under control, and stricter and more methodical preventive measures have enabled the Government to greatly enhance the rate of duty; for the question of the rate of duty which it is possible to levy in India, is simply the question of the prevention of illicit distillation. In Bengal, also, the subject of excise has received very special attention at the hands of the Government, and it is likely that the measures which are now being adopted, on the basis of the Report of the Excise Commission of 1883, will show, in the immediate future, a development of Excise Revenue, not dissimilar to that which has been witnessed in Bombay and Madras. The first effect was an increase of expenditure, which has risen from Rx. 28,900 in 1884-85, to Rx. 42,000 in 1887-88, and will probably continue to increase. The Revenue, by the same measures, fell from Rx. 1,005,200 in 1884-85, to Rx. 958,500 in 1885 86, but it has now advanced on a sounder basis, and it is expected that Rx.1'097,500 will be received in 1887-88.

Alleged Increase of Drunkenness.

65. The advance of Excise Revenue in India has attracted considerable attention in England, having been erroneously accepted as evidence of the increase of drinking habits in India. The Government of India took a recent opportunity of sending to England a report containing very full information of what was actually being done in each of the Provinces of India. This paper, which was afterwards printed as House of Commons Paper, No. 269 of 1887, explained the restricted system which was everywhere adopted, and showed that the improvement in Revenue arose from severer taxation, and more complete prevention. I copy the following paragraphs from the covering Despatch, No. 166, dated the 25th June 1887, with which the report was sent, the Congress referred to being the British and Colonial Temperance Congress, which had addressed the Secretary of State on the subject:—

* * * * * * *

6. The information, therefore, which has reached the Congress on this subject is entirely erroneous. The Governments in India are not set in the midst of an abstemious people, from whom they can realise no Excise Revenue, unless they place in their way temptations to drinking which would not otherwise exist. On the contrary, it is only by strong preventive establishments that illicit distillation can be prevented. The great increase in the Revenue to which the Congress allude does not mark the extension of drinking habits, but is the result of a great and general increase in the rate of tax which it would have been entirely impossible to realise but for the great improvement in preventive measures which has accompanied it. In fact the ability of the Excise Department to prevent illicit distillation is the only limit which is imposed in practice to increase in the rate of taxation.

7. The Congress are also misinformed in connecting this increased revenue with "the system by which the right to license outstills is farmed to the highest bidder." In scantily inhabited tracts, and in places which border upon Native States, a system of this kind is employed as providing the only means by which a tax of any kind can be levied upon the consumption of spirits; these are places where the Government has no choice between untaxed distillation and trade, and the system of farm to which the Congress allude. But outside these very narrow limits the system may be described as obsolete. The object of the Excise Department is to tax every gallon of spirits, first, by a fixed still-head duty, which is regulated at the discretion of the Government; and secondly, by a license fee for retail sale, which is usually determined by competition for the privilege of sale.

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9. Before passing on to give actual statistics of the consumption, it must be remembered with what large tracts of country and with what a large population we are dealing. Judged by a European standard, the people of India are a remarkably abstemious people. Drunkenness in the English sense of the term hardly exists in India. Writers whose comparisons are based on Oriental experience describe as drunkenness and as spread of misery and ruin a condition of things which, if it existed in England, would be regarded almost as a millennium of temperance. The average consumption in India is only a bottle or a bottle and a half of spirits a year for every adult male, and in some

some provinces is even less than that. It may be conceded that, however small the rate of consumption, any increase of it is equally to be deprecated; but at the same time in dealing with subjects such as the present it should be borne in mind that such terms as "drunkenness," "drinking classes," and "spread of drinking," when used by natives of India or in connection with Indian Administration, bear a meaning wholly different from that which they convey to a mind familiar only with the English aspects of the temperance question.

* * * * * * * * *

16. In short, the Temperance Congress, starting from the erroneous assumption that liquor traffic and liquor consumption are unnatural in India, and would not exist but for the state of things created by the British Administration, have formed the conclusion that the mere orders of the Government are sufficient to confine the consumption within any desired limit, and that the Government is responsible for not drawing that limit much closer. The real problem, it will be seen, is much more difficult. There is a point at which restrictions on consumption are inevitably followed by illicit distillation,—a point which varies in every region, according to the habits of the people, the sparseness of population, and the nature of the country and its productions. The papers now forwarded to Your Lordship amply show that the object which the various Governments have in view is the adaptation of the various methods of Excise Administration to the different conditions which present themselves, and the imposition of as great restriction as circumstances in each case permit. In our opinion the papers are a record of success in the solution of this difficult problem.

66. It remains to say that, after considering the advice of the Local Governments in each case, we have taken the following estimates of the Stamps and Excise Reveuue :—

	Revised, 1887-88.	Budget, 1888-89.
Stamps - - - - - -	3,848,100	3,854,400
Excise - - - - - - -	4,503,100	4,609,500

Income Tax.

67. The year 1886-87 was the first year of the Income Tax in its present form, and the opportunity may be taken to give an account of the first year's administration and its results.

68. The gross collections amounted to Rx.1,354,735, and the net collections (deducting Refunds—Rx. 27,067—and charges for collection—Rx. 50,157), to Rx. 1,277,511. The net revenue is compared Province by Province with that derived from the License Tax in 1885-86, in the table below :—

	License Tax Collections, 1885-86.	Income Tax Collection, 1886-87.	Percentage of Total Collections.	Increase of Income Tax over License Tax.
	Rx.	Rx.		Rx.
India - - - - - - -	106	122,406	9½	122,300
Central Provinces - - - -	22,656	39,836	3	17,180
Burma - - - - - - -	- -	16	- -	16
Assam - - - - - - -	5	19,905	1½	19,900
Bengal - - - - - -	139,167	333,627	26	194,460
North-Western Provinces and Oudh	112,954	213,639	17	100,885
Punjab - - - - - - -	35,747	105,652	8	69,905
Madras - - - - - - -	41,851	138,674	11	96,823
Bombay - - - - - -	120,314	303,756	24	183,442
TOTAL - - -	472,800	1,277,511	100	804,711

The collections under India include the general collections in Ajmere and Coorg, and the assessments on salaries of officers serving immediately under the Government of India and in political employ, and of Military and Public Works Officers throughout India; and also a large amount of taxation on Interest on Securities.

69. Bengal and Bombay together have furnished about half of the total revenue; the towns of Calcutta and Bombay of course contribute largely to this result; the proportion which the gross collections in these towns bore to the total collections (excluding the tax on salaries of Government servants) in those Presidencies is indicated below:—

Bengal.	Calcutta.	Percentage of Calcutta on Bengal.	Bombay Presidency.	Bombay City.	Percentage of City on Presidency.
Rx.	Rx.		Rx.	Rx.	
388,468	170,538	50·4	257,500	140,652	54·6

The collections from these two cities, therefore, form more than one-fourth of the whole collections in India.

In Madras City the collections amounted to three lakhs.

The North-Western Provinces and Oudh produce a larger amount than any other Province, if the Presidency Towns be excluded.

70. The incidence of the tax in the various Provinces, and in Calcutta, Bombay, and Madras is shown below, the proportions being calculated with reference to the final demand:—

	Number of Population to each Person Assessed.	Number of Population to each Rupee of Tax.	Incidence of Tax on each Person Assessed.
			Rs.
Central Provinces - - - - -	1,136	39	29
Assam - - - - - - -	811	50	29
Bengal:			
Calcutta - - - - - -	37	·44	82
Elsewhere - - - - - -	853	39	22
North-Western Provinces - - - -	602	21	28
Oudh - - - - - - -	866	35	24
Punjab - - - - - - -	555	25	22
Madras;			
Madras City - - - - -	80	1·3	62
Elsewhere - - - - - -	655	28	23
Bombay;			
Bombay City - - - - -	37	·55	68
Elsewhere - - - - - -	311	13	23

71. Comparing

71. Comparing the Presidency Towns, the proportion of assessees to the general population is the same in Calcutta and Bombay; but the average tax paid by each assessee is considerably higher in Calcutta than in Bombay; the Madras average tax is not far below that paid in Bombay.

Leaving out the Presidency Towns, the variations in the incidence of the tax on each assessee are inconsiderable, but the proportion which the taxable population bears to the whole varies very largely. Bombay appears to be by far the richest of the Provinces, one in 311 being taxed, whereas in the mofussil portions of Bengal only one in 853 is liable to taxation; in the Orissa Division the proportion falls as low as one in 1,466, and in the Patna and Chota Nagpore Divisions the proportion is one in 1,012 and one in 1,129 respectively. In the Bombay Presidency the Ratnagiri District has only one in 1,179 of the population taxed; the next lowest proportion being one in 656 in the Thana District. The Central Provinces naturally come out with the smallest proportion of taxable incomes, though curiously the incidence of the tax on the individual tax-payer is highest there, and in some municipalities the incidence is very high indeed. The Punjab and the North-Western Provinces stand next to Bombay, though far behind it. These results must not be pressed too far; as some portion of the difference is due to variations in the proportion that the agricultural population bears to the whole; and again, some portion may be due to variations in the method of assessment.

72. The following Table distributes the actual collections* between the various parts of the Schedule of Act II. of 1886:—

	Rx.	Percentage of the whole.
Part I.—Salaries - - - - -	418,074	30·4
„ II.—Companies - - - - -	74,619	5·4
„ III.—Interest - - - - -	73,617	5·3
„ IV.—Other Sources - - - -	808,831	58·9
	1,375,141	100·0

The tax on salaries consists for the most part of that levied from Government servants, the amount being made up as follows:—

	Rx	Percentage.	Number of Assessees.	Incidence of Tax per Assessee.
				R.
Government Servants - - -	300,307	72	66,400	5
Servants of Local Authorities - -	12,246	3	5,010	24
Private Servants - - - -	105,521	25	30,636	34
	418,074	100	102,046	—

The Companies taxed numbered 774; thus paying an average of about 964 rupees each.

Under the head of Interest the information as to the number of assessees is defective; in many cases the number taxed has not been given.

73. Under other sources of income it is a matter of difficulty to distribute the

* The figures in the succeeding tables do not work up to those in the Finance and Revenue Accounts, as they are taken from the Administration Reports, and include in some cases collections made after the close of the financial year.

the taxation under any general heads; it seems best to give the figures for some of the principal professions and trades, the rest being lumped together:—

	Number of Assessees.	Amount of Collections.
		Rx.
House Proprietors - - - - - - -	8,249	40,495
Ship or boatowners - - - - - -	2,500	4,201
Professions:		
Legal Practitioners - - - - - -	3,568	42,500
Medical Practitioners - - - - -	1,700	5,395
Brokers - - - - - - - -	4,198	17,213
Bankers - - - - - - - -	9,270	43,852
Agents - - - - - - - -	2,038	17,784
Other professions - - - - - -	14,955	35,717
Manufacturers - - - - - - -	17,499	39,551
Merchants:		
Agricultural produce - - - -	15,704	23,592
General - - - - - - - -	14,626	80,580
Piece-goods - - - - - - -	17,188	43,703
Grain - - - - - - - -	15,457	31,959
Money-Lenders - - - - - -	98,768	241,255
Others - - - - - - - -	8,114	27,590
Traders:		
Food - - - - - - - -	11,666	18,205
Spirits and drugs - - - - - -	4,476	9,096
Metals - - - - - - - -	3,227	6,982
Others - - - - - - - -	36,488	74,251
TOTAL - - -	294,691	808,881

The money-lenders furnish just about one-third of the assessees, and pay about 30 per cent. of the tax in this part; they pay about 24 rupees each; and by far the largest proportion (88,777 out of 98,768) are assessed at incomes of under 2,000 rupees a year.

The highest rates of tax are paid by the following classes:—

	Tax per Assessee.
	R.
Agents - - - - - - - -	87
General Merchants - - - - -	55
Legal Practitioners - - - - -	50

The tax under Part IV. as a whole falls on the assessees at the rate of 27 rupees each; and of the total number of assessees, 264,715, or very nearly 90 per cent., are assessed on incomes of 2,000 rupees and under.

74. The assessments under Part IV. were those which were most difficult, and regarding which objections were chiefly raised. Eleven per cent. of the original assessees were on objection absolved from taxation, while the amount of the assessment was reduced on the whole by 19 per cent. These results may be regarded as satisfactory, considering that they represent the first series of assessments to a new tax; in Madras it is stated that there was a tendency to

assess

assess lightly, and the same appears to be the case with regard to Bengal and Oudh. The general impression derived from the reports of the Local Governments is that considerable success has been obtained in the endeavours made to render the tax as palatable as possible. The Government of Bengal says:—

"The unpopularity of a direct tax may be greatly enhanced by injudicious administration; but the Lieutenant-Governor is glad to be able to record his belief that in the present year the dislike to the tax has not been seriously aggravated by errors in its working."

and this expresses the view generally of the other Governments.

75. Classifying the assessees of all kinds according to their rates of income, it appears that 90 per cent. had incomes of under 2,000 rupees, and that this class paid nearly 50 lakhs,* or only about 38 per cent. of the total collections. The incomes of from 500 rupees to 750 rupees numbered 51 per cent. of the whole body of assessees, but produced only 14 per cent. of the revenue; and the corresponding percentages for the next lowest class with incomes not exceeding 1,000 rupees were 13 and six respectively.

Only 6,929 persons were taxed on incomes exceeding 10,000 rupees, of whom 3,350 (or nearly half) were Government servants.

Only 388 persons were assessed at incomes exceeding half a lakh, and of this number 102 were assessed at incomes over a lakh. These 102 incomes paid Rx. 91,837, or about 7 per cent. of the whole collections; they included 37 companies paying Rx. 63,901. Forty-eight of the 102 were taxed in Bengal, and 29 in the Bombay Presidency.

Forests.

76. Under "other principal revenue heads" is included the Forest Revenue, under which, at present, we get a revenue of Rx. 1,150,000, by an outlay of about Rx. 750,000, or 68 per cent. on income. The percentage in the State Forests of Prussia, in which country forestry has reached an advanced stage, is very nearly the same, being 62 per cent. on a revenue of about 2½ millions. The percentage in India is gradually improving. Both in India and in Prussia the income is considerably diminished by the large amount of forest produce which has to be given free to local right-holders.

77. Still the present occupation of the Forest Department consists more in building up a most valuable property for the future than in realizing a revenue in the present. In Burma the teak forests furnish a handsome revenue; the Sub-Himalayan forests, from which large supplies are brought down for the consumption of Northern India, and the Sunderbans near Calcutta, are also revenue-producing areas. The Bombay forests are also productive in teak. But hardly anywhere is the expenditure less than 50 per cent. of the revenue, and in many places it is much higher. The work of the Department is at present, in fact, rather conservation and development than production of revenue. Centuries of neglect and denudation have to be remedied by systematic reservation, planting, and exploitation, and the return which the Department at present gives to Government is in the rapidly increasing value of the Government forests, rather than in the revenue immediately brought into the Government treasury. The net revenue, however, is satisfactorily progressing, having during 20 years increased from Rx. 130,000 to Rx. 400,000.

Railway Finance.

78. Railways form a very important part of our revenue and expenditure, and it may be well to exhibit in a comparative statement the general effect of the Railway Revenue Account upon our financial position. The arrangement of our accounts, following as it does the somewhat complicated differences in the relations of Government to the different railways, does not very clearly set forth the purely financial part of their history. But the following abstract of the transactions of 10 years, made up from the accounts, and working up to the same net

* In these calculations as to classification, interest on securities is omitted from consideration, as in most cases the distribution of this by classes is not shown.

net result, will render the position clearer. I may also refer to the detailed statement of capital, earnings, and working expenses, shown in Appendices C. and E. of this statement.

	1879–80.	1880–81.	1881–82.	1882–83.	1883–84.	1884–85.	1885–86.	1886–87.	1887–88, Revised.	1888–89, Budget.
				(In Thousands of Rx.)						
REVENUE.										
Gross earnings	12,053	13,011	14,941	15,258	16,168	16,026	17,768	18,185	18,078	18,801
Working expenses	6,154	6,681	7,226	7,811	7,891	8,150	8,791	8,683	8,888	9,396
Net earnings	5,899	6,330	7,715	7,447	8,277	7,876	8,977	9,502	9,190	9,405
Deduct Companies' share (*a*)	648	481	531	734	780	623	593	780	928	712
Remains to Government	5,251	5,849	7,184	6,713	7,497	7,253	8,384	8,722	8,262	8,693
EXPENDITURE.										
Interest:										
India	1,043	1,255	1,469	1,662	1,883	2,106	2,232	2,433	2,590	2,676
England £.	4,737	4,592	4,859	4,885	4,824	4,827	5,067	5,284	5,400	5,615
Exchange	958	930	1,002	1,120	1,102	1,173	1,595	1,987	2,268	2,359
TOTAL INTEREST	6,738	6,777	7,330	7,667	7,809	8,106	8,894	9,704	10,258	10,650
Land and Supervision	63	58	88	98	122	101	124	112	105	90
Miscellaneous Railway Expenditure	20	58	52	254	—129	98	99	94	53	68
TOTAL EXPENDITURE	6,821	6,893	7,470	8,019	7,802	8,305	9,117	9,910	10,416	10,808
Net Result—Deficit	1,570	1,044	286	1,306	305	1,052	733	1,188	2,154	2,115

(*a*) The payment to the East Indian Railway Company is included in this line; but in our regular accounts it is charged under working expenses. The figures in this statement work out to the same net result as the accounts, but for reconciliation of details some further explanations would be required.

79. During the first few years of the period included in this statement, the construction of railways on the guaranteed system had practically closed; the main exception being the expenditure in completion of the Oudh and Rohilkund Railway. The sterling account of interest, therefore, which represents this part of the capital, rises only from 4,737,000 *l.* in the first year to 4,827,000 *l.* in the sixth year. The construction of State Railways was actively proceeding, and was adding to the Indian interest account very regularly about Rx. 200,000 every year.

Throughout this period, that is for the first six years included in the above statement, the advance of the net earnings was about equal to the advance of charges for interest on capital. During the five years, 1880-81 to 1884-85, the total amount of net earnings was Rx. 37,645,000, and the total amount of interest charge (including exchange) was nearly the same, Rx. 37,689,000; in fact, in bad revenue years the net earnings fell short of the interest by half a million, and in good revenue years they exceeded it by nearly half a million.

80. It has to be remembered, however, that a considerable deduction has to be made from the earnings before they are available for railway charges. The contracts with the companies give them a share of the earnings (somewhat miscalled a share of surplus profits, for it may and does accrue when there are no real profits at all), which amounts on the whole, at the present standard of Revenue, to about Rx. 700,000; and other charges, varying from about Rx. 150,000 to Rx. 200,000, have to be borne for Government establishments connected with Companies' Railways, for the purchase of land for these railways, and for railway surveys and other miscellaneous expenditure. When, therefore, the net railway earnings are equivalent to the burden of interest on capital, the result to Government is that, on the whole railway revenue account, the Government suffers a loss of Rx. 850,000 to Rx. 900,000. During the five years period just mentioned, the loss was rather less, and averaged about Rx. 799,000.

From the statement given above, it will be seen that during the more recent years, that is, since 1885, this loss has been greatly increasing; and in the Revised and the Budget Estimate it is placed at about Rx. 2,150,000.

81. It is not the earnings that have failed us, except in this temporary sense that they reached a specially high figure in 1885-86 and 1886-87; and have now fallen to a more normal figure. For this normal figure still shows, on the whole,

whole, a fair rate of increase. Rx. 7,000,000 was the average standard of earnings about 1881; in 1884, it stood at Rx. 8,000,000, and it is now Rx. 9,000,000. This must be regarded as very satisfactory, especially when we consider that the construction of State railways, during the past three or four years, has almost left the purely commercial lines, and been limited to famine lines, such as Assam-Behar, Bellary-Kistna, and Cuddapah-Nellore, or to quasi-military lines, such as the Sind-Sagar Railway, the lines in Biluchistan, and I may add the Mandalay extension, though this partakes also of a commercial character.

82. The cause of the deterioration will be found in the figures which show the interest paid in England. From these it will be seen that the increase of interest paid in England, and especially of exchange, has run away with much more than the improvement in the net earnings. This will be a little clearer if we show the figures in two classes—

	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.
New Subsidised Companies—					
Interest - - - -	(a) 118	171	312	437	620
Exchange - - - -		54	117	183	260
Older Companies—					
Interest - - - -	4,827	4,896	4,972	4,903	4,995
Exchange - - - -	1,173	1,541	1,870	2,085	2,098

(a) Paid in India.

The Companies included in the first set of these figures are the Southern Mahratta, the Bengal-Nagpur, and the Indian Midland; all these lines are still in active construction, and the capital on which interest is being paid is as yet hardly earning any money. It is, therefore, for the present almost a dead weight upon our Railway finance, although after a year or two it ought to cease to be so. The amount of this dead weight of unproductive capital is as follows:—

	1884 85.	1885-86.	1886-87.	1887-88.	1888-89.
Total interest charge as above -	118	225	429	620	880
Less earnings - - - -	- -	22	128	166	234
NET - - -	118	203	301	454	646

Of unproductive capital there has always been a certain amount outstanding; but, while our construction was confined to State Railways proper, the amount was limited to the outstandings under this head alone. Of recent years we have added to our State Railway construction the construction by the companies just mentioned, and until the lines of these companies are fairly in working order we have these special additions to the amount of unproductive capital.

83. Under the second head, that of the older companies, the new burden is mainly that of exchange. The exchange during the five years above detailed has been, for every 100 *l.*, Rx. 24·3, Rx. 31·5, Rx. 37·6, Rx. 42 and Rx. 42; and this, for a sterling charge of 4,900,000 *l.*, involves an increase of Exchange charge from Rx. 1,190,000 to Rx. 2,060,000, or nearly Rx. 220,000 a year for four years. During the period of five years preceding 1885-86, to which I referred in paragraph 79, the improvement of the rate of earnings was sufficient to cover the enhancement of the Exchange charge, but then that enhancement was only Rx. 220,000 for the whole period. Since 1885-86, however, the fall of the rupee has gone on at too rapid a rate, and the increase of earnings has quite failed to make up for it.

84. The result of these considerations is to show that at the present juncture we are at an unfavourable period in our Railway finance. Our State Railway construction is, perforce, running in a line from which little commercial earning can be expected; we are burdened with the interest on the heavy capital of three large railway companies, which is not yet productive; and we have suffered very greatly by the rapidity of the fall in the value of silver. The second of these causes is one from which we will certainly recover in a short period; and we shall be very unfortunate if the third continues to add to our burdens in the same ratio as in the immediate past. Meantime the earnings taken by themselves show fairly steady progress, and we may, therefore, reasonably look for early relief from a very large part of the present burden of Rx. 2,150,000, imposed upon us by our railway accounts.

Interest on Debt.

85. The following figures show, in thousands of £., the amount of sterling debt of the Government at the end of each year:—

1881-82.	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.
68,142	68,586	68,109	69,271	73,807	84,228	84,228

But 10,152 of the first figure and 18,514 of the last is held on Railway account, and merely represents the part of the capital account of Railways purchased by Government. The real increase of sterling debt during this period is therefore 7,724,000 *l.*

The interest payments show this distribution between the Railway account and the account of ordinary debt, the total amount paid being as follows:—

	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88, Revised.	1888-89, Budget.
	(Thousands of £.)							
Ordinary Account - - -	2,457	2,458	2,418	2,578	2,420	2,556	3,300	2,584
Railway Account - - -	353	348	312	353	366	566	552	549

The figures of 1884-85 were increased above the average by a heavy payment of 184,000 *l.* on account of discount on a new loan raised at 3 per cent. in that year. With this exception the interest charge was almost constant from 1881-82 till 1885-86, but in the year after that it rose by about 170,000 *l.*

86. A very great increase above the average payments will be observed in the amount of interest paid in 1887-88, the explanation of which is as follows:—

On 19th April 1887, the Secretary of State notified his intention to discharge, on 10th October 1888, the 4 per cent. sterling stock (over 53,000,000 *l.*) repayable on that date, and offered to the holders terms of conversion into 3½ per cent. stock. The terms of conversion involved anticipation payments of 10 *s.* per cent. interest otherwise falling due in 1888-89. But, moreover, as the interest upon the new stock was to run quarterly, whereas that on the old stock was payable half-yearly only (April to October), the operation brings forward, to January 1888 (*i.e.*, the year 1887-88), one quarter's interest or 17 *s.* 6 *d.* per cent, which would otherwise be payable only in April 1888 (*i.e.*, the year 1888-89).

The offer was accepted by the holders of about 48,200,000 *l.* of stock, and thus the excess payments of interest which fell within the year came to 663,000 *l.*, besides commission and other exceptional charges. This 663,000 *l.* is not, properly speaking, an excess payment, but it is rather a redistribution of existing charges, which we would have had in any case to meet, and which appears in our accounts in this peculiar manner by reason of the fact that our year of account closes during the interval by which the payment is brought forward. The charges in question were not provided in the Budget Estimates,

as

as it was necessary to avoid risking the success of such an important operation, by advertising it prematurely; and the payment, not being a real excess of charge, was easily met without any new arrangements in respect of ways and means. A similar, though not nearly so large, excess charge occurs in 1888-89 in respect of the remaining 5,000,000 *l.* of the loan, and by reason of it, and of the further commission and other charges, we get very little apparent benefit from the reduction of interest in the Budget Estimates for 1888-89. But from 1889-90 we get a benefit of ½ per cent. interest upon 53,262,000 *l.*, that is, a reduction of charge amounting to 266,310 *l.* sterling a year.

87. The interest account in India is a little more complicated. The total amount of debt stands as follows:—

	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88, Revised.
			(Thousands of Rx.)				
Ordinary Debt	88,653	90,689	93,191	93,184	92,704	92,654	98,088
Special Loans	4,952	1,953	1,809	1,709	1,782	1,782	1,782
Service Funds, &c.	899	951	1,000	1,056	1,038	1,137	1,184
Savings Banks	3,366	3,744	4,017	4,722	5,116	5,836	6,711
TOTAL	97,870	97,337	100,017	100,761	100,684	101,409	107,765

A large amount of the above debt represents the capital outlay upon railways and irrigation works, and another portion of it represents moneys lent at interest to municipalities and local bodies, and in some cases to native chiefs. Six-and-a-quarter crores (6,250) of it are the investment of the Currency Department. The account of interest, therefore, shows considerable recoveries on these accounts, and stands as follows:

	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88, Revised.	1888-89, Budget.
				(Thousands of Rx.)				
Charged to Interest on Debt	1,827	1,719	1,517	1,371	1,137	737	739	824
Recovered	840	670	820	668	687	614	655	642
NET BURDEN	987	1,049	697	703	450	123	84	182

These figures are somewhat remarkable. It must be remembered that the expenditure on State Railways is partly in sterling and partly in rupees; but the transfer from Debt Account to Capital Account is made upon the Rupee Account only. We have, therefore, written off the account of debt, each year, a good deal more than the debt we have raised, and our Rupee debt has been gradually nearly all transferred to the Capital Account of the Railway and Irrigation Works.

88. The following figures show the portion of the interest payments which has, each year, been charged to the account of Railways and Irrigation, and which is, of course, in addition to the above-stated charges:—

	1881-82.	1882-83.	1883-84.	1884-85.	1885-86	1886-87.	1887-88	1888-89.
				(Thousands of Rx.)				
Railways	1,462	1,621	1,785	1,959	2,182	2,423	2,587	2,706
Irrigation	742	816	895	932	965	993	1,019	1,047
TOTAL	2,204	2,437	2,680	2,891	3,147	3,416	3,606	3,753

These will be dealt with under the heads of Railways and Irrigation.

89. The total of the burden of debt may be shown by adding together the figures in paragraphs 85 and 87.

	1881–82.	1882–83.	1883–84.	1884–85.	1885–86.	1886–87.	1887–88.	1888–89.
	(Thousands of Rx.)							
India	987	1,049	697	703	450	123	84	182
England	2,457	2,458	2,418	2,578	2,420	2,556	-	2,584
Exchange	507	564	552	626	762	977	(a)	1,086
TOTAL	3,951	4,071	3,667	3,907	3,632	3,656	-	3,852

(a) Omitted, being irregular as above explained.

CIVIL EXPENDITURE.

90. The Civil Expenditure, which is put down in the standard account in paragraph 16 at Rx, 22,021,000, is composed of the following items:—

	Standard of 1887–88.	Revised, 1887–88.	Budget, 1888–89.
	(Thousands of Rx.)		
Refunds and Assignments of Revenue:	1,570	1,681	1,689
Revenue Departments:			
Land Revenue (including District Administration).	3,669	3,519	3,684
Forest Expenditure	738	763	771
Other Revenue Departments:			
India	1,075	1,057	1,073
England £.	68	56	65
Exchange	29	23	27
Civil Departments (Net):			
Administration:			
India	1,372	1,394	1,387
England £.	247	269	251
Exchange	104	113	105
Law and Justice (including Jails)	2,924	2,859	2,951
Police	3,392	3,396	3,454
Marine, Provincial	22	10	43
Education	1,121	1,069	1,130
Medical	747	705	728
Political	633	691	715
Other Departments	541	527	525
Miscellaneous (Net):			
Territorial and Political Pensions	677	609	571
Non-effective Charges:			
India	458	467	492
England £.	1,729	1,714	1,737
Exchange	726	720	730
Stationery, Printing, and Miscellaneous (Net).	179	—83	163
TOTAL	22,021	21,559	22,291

(In the above statement the sterling figures are shown separately in the only cases in which they are of any importance. Exchange adds about 12, 8, 12, and 55 under Political, Other Departments, Territorial Pensions, and Miscellaneous, respectively; in other cases, it only alters the unit figure by one at the most.)

91. The *Land Revenue* Expenditure during the last few years has been as follows (in thousands of Rx.):—

1881–82.	1882–83.	1883–84.	1884–85.	1885–86.	1886–87.	1887–88, Revised.
3,004	3,043	3,329	3,363	3,414	3,464	3,519

The

The increase in 1883-84 is due to the assumption by the Government of about Rx. 300,000 of expenditure on patwaris (village accountants) in the North-Western Provinces and Oudh, by the abolition of the special cess from which they had till then been paid. During the last three years the expenditure has been increasing, owing to the progress of settlement work, of which a full account has been given above. In 1887-88, although the Budget Estimate was for Rx. 3,668,000, the actual probable expenditure is Rx. 3,519,000 only, the difference arising from various savings on the estimated expenditure, the largest of which arises from the Madras Government not having brought into operation, during the year, the re-organisation of subordinate establishments which is referred to in para. 132.

The Budget Estimate for 1888-89 is placed at Rx. 3,684,100, very slightly in advance of the Budget Estimate for 1887-88.

92. The charges under *Administration* in India have slowly increased from Rx. 1,291,000 in 1880-81 to about Rx. 1,392,000 in 1886-87, and just more than that in 1887-88. The increase has been general, that is, every Provincial Government contributes its share towards it. I do not think anything need be said about it, except that the amount of work of administration, which the expenditure represents, has certainly increased at a very much greater rate than the expenditure itself.

The Budget Estimate for 1887-88 was somewhat short of the actual existing standard of expenditure, and it is accordingly slightly exceeded in the Revised. The Budget Estimate for 1888-89 is for nearly the same amount as has been spent during the last two years.

The English expenditure has been practically steady at a little under 250,000 *l.*

93. Like the expenditure on Administration, that under *Law and Justice* has also steadily, but more rapidly, increased. The net figures stood at Rx. 2,562,000 in 1880-81, and about the same in 1881-82; but by 1886-87 they had risen to Rx. 2,809,000. It is Civil Justice that requires more and more provision being made for its demands, but, as the increase of stamp revenue (mainly court-fees) is at least equal to the increase on the expenditure side, the expansion of the expenditure is hardly subject for objection. The net expenditure of 1887-88 is now put down at Rx. 2,859,000 against a Budget Estimate of Rx. 2,924,000, savings on the original estimate having occurred in nearly all the provinces. The Budget of 1888-89 is Rx. 2,951,000, being a slight advance over that for 1887-88.

94. The net charges on account of *Police* have been as follows (in thousands of Rx.):—

1880-81.	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88, Revised.
2,285	2,306	2,415	2,449	2,513	2,532	2,969	3,396

The increase which took place here in the years preceding 1885-86 represents for the most part the effect of the policy announced in 1882-83. In paragraph 65 of the Financial Statement for that year it was said that—

"Boards and Committees for the administration of certain Local Funds already exist in most parts of India. We now wish to widen the sphere of action hitherto assigned to these bodies. The Provincial Governments have therefore been invited to hand over to them such items of revenue and expenditure as may appear to be most suited to give them a real interest in the administration of the resources at their command, and, on the other hand, to take over as a provincial charge some items of expenditure, such as police, over which Local Bodies cannot exercise any real control."

It was mainly medical and educational expenditure which, in accordance with this policy, the Municipalities were expected to extend, in lieu of the police charges of which they were relieved. The increase of police expenditure therefore represents the charges formerly incurred by Municipalities, but of which they have now been in a great measure relieved.

95. The great expansion of police charges in the last two years is almost entirely in Burma. Burma police expenditure in 1885-86 stood at Rx. 237,000 (net); in 1887-88, it stands at Rx. 1,031,700. Practically the whole of this increase represents the quasi-military force which has been recruited in India for service in Burma, and which will be necessary to bridge over the interval between the first military occupation of the country and its final settlement. The present high scale of expenditure is likely to last for two or three years, but after that we hope for rapid reduction of it.

96. The provincial portion of the *Marine Expenditure* consists of—

(1.) The pilotage service in Calcutta, of which the receipts exceed by Rx. 15,000 the portion of the charges that is brought to account under this head.

(2.) Expenditure on ports, rivers, light-houses, and river steamers, which comes to about Rx. 40,000.

The net charge is therefore about Rx. 25,000.

97. *Educational* expenditure has increased rather rapidly. The net outlay (deducting fees and other receipts) was Rx. 829,000 in 1880-81, but it has increased at the rate of between Rx. 40,000 and Rx. 50,000 a year, and in 1886-87 it stood at Rx. 1,097,000. Every province in India had its share in this increase. For 1887-88, as above shown, Rx. 1,121,000 was estimated, but Rx. 1,069,000 only is likely to be spent, the reduction of provincial resources having compelled a slight retrograde movement. For 1888-89 the grants have again been increased, and the estimate stands at Rx. 1,130,000.

It should be noted that these figures do not show the full measure of the increase of public expenditure on education in India, for Municipalities are also considerably increasing their expenditure on this head, and Municipal expenditure is not included in the Government accounts. It is part of the educational policy of the Local Governments to hand over schools hitherto maintained from Government or from Local Funds, to the care of Municipalities, and every school so handed over disappears from our accounts of educational expenditure, though it remains, it is to be hoped, at least as efficient as before.

98. The net *Medical* charges have slightly increased from 1880-81 till 1884-85, having been Rx. 625,000 in the former year and Rx. 690,000 in the latter; but at this last figure they remained almost unchanged.

It should be remembered, however, that some part of the charges against this head have been passing into Municipal Accounts, and the diminution caused by this is probably the reason of the stationary nature of the charge during these years. The charges have now somewhat advanced, namely, to Rx. 705,000 (Revised, 1887-88) and Rx. 728,000 (Budget, 1888-89). Part of this increase arises in Upper Burma, but part of it is attributable to safe estimating, as this is one of the heads in which there is always a considerable saving on Budget.

99. The next head in the abstract represents the *Political* charges, and here there is unavoidably a very heavy increase during recent years. The increase arises almost entirely in connexion with our North-West Frontier. In 1879-80 and 1880-81, the standard of expenditure was about Rx. 450,000 (including the English charges of 10,000 *l.* and 15,000 *l.*, as Indian contribution towards the cost of establishments in Persia and China respectively). But the subsidy of the Amir of Afghanistan, and the heavy charges for Afghan refugees, raised the standard of charge to Rx. 631,000 in the Estimates for 1887-88, and that will be considerably exceeded in the actuals by reason of the Boundary delimitation and other special charges. The Estimate for next year again shows an advance (the greater portion of which is due to charges in connection with Ayub Khan) and stands at Rx. 714,600.

100. On the remaining heads in the abstract I have little remark to make. Under Territorial and Political Pensions, we shall probably be relieved of at least Rx. 60,000 of charges by the death of the ex-King of Oudh. The non-effective charges (leave allowances and pensions) are a very heavy burden, and must remain so in a country of which the public service is largely filled from foreign sources. The charge is necessarily every year mounting up, but it represents the fulfilment of positive obligations, and is not subject, except in a remote

remote sense, to financial management. The Revised Estimate for the last group of miscellaneous charges shows a considerable saving on the Budget Estimate.

POST OFFICE, TELEGRAPH, AND MINT.

101. The full account of the Rx. 248,000, put down in paragraph 16 as the net charge of these three *quasi*-commercial departments, is as follows (in thousands):—

	Revenue (+) and Expenditure (—).		
	India.	England.	Exchange.
	Rx.	£.	
Post Office	1,216—1,212	—111	— 46
Telegraph { Revenue Account	629— 500	7— 47	— 17
Telegraph { Capital Account	— 123	— 90	— 38
Mint	170— 79	— 5	— 2
TOTAL	2,015—1,914	7—253	—103
	+101	—246	

The English charges of the Post Office have for some years been very steady. More than half of them represent the payment, under postal arrangements, to the Imperial Treasury, a payment which the new postal contract reduces from 66,000 *l.* in 1887-88 to 50,000 *l.* in 1888-89. The remainder represents stores.

Excluding consideration of this payment, the purely Indian transactions which, in 1881-82 and 1882-83, showed a loss of about Rx. 100,000, show in the Revised Estimates of 1887-88 a loss of Rx. 11,000 only, and in the Budget Estimates of 1888-89 a gain of R. 19,000.

To make a full account in the commercial sense, we would have to add charges for public works, for stationery, and for pensions and the like, but then we would also have to take into account the fact that the Post Office performs services for the district post in respect of which Government gets a revenue under Provincial Rates of nearly Rx. 100,000, and does all the work of the Postal Savings Banks without any credit in its account to represent its value.

102. Under Telegraphs, the Revenue Account has, for a long time, paid a handsome surplus. This surplus, after taking into account a small charge for exchange, was, for the three last completed years, Rx. 129,000, Rx. 79,000, and Rx. 174,000.

The above standard gives us a net revenue of Rx. 72,000 after reckoning the exchange on the English charges.

The net revenue is now estimated at Rx. 210,200 for 1887-88, and at Rx. 120,500 for 1888-89 (these figures including charges for exchange), the improvement being largely in Government telegrams from Burma.

103. The *Mint* receipts have been a little better than the standard shown in paragraph 16, as the importations were somewhat above average. The excess expenditure, however, has taken away all this advantage; it must be remembered that in 1887-88 the Mint had to incur the charges involved in coining over three crores of Gwalior bullion, without getting the usual receipt of seignorage.

The figures taken for next year's Estimates differ very slightly from the Budget Estimates of 1887-88.

IMPERIAL MARINE.

104. The charges under this head are in two portions:—

(1.) The expenditure connected with the Imperial Marine in India, which is normally about Rx. 120,000 or Rx. 130,000 net;

(2.) In England Admiralty charges and marine stores, which on the average is about 150,000 *l.*

Latterly, however, the expenditure has reached a much higher figure; operations in Burma have necessitated heavy charges for transport, and a considerable patrolling service has also been required for the Burma rivers, so that Rx. 321,600 were spent in 1886-87, and Rx. 234,600 are likely to be spent in 1887-88, under the first of these heads. The purchase of torpedo vessels and of marine stores in connection with the special defences was shown under this head in the Budget Estimates of 1887-88, which accordingly stood at 326,700 *l.* These are now, however, removed to the special head of "Special Defences," and the Revised Estimates show 148,300 *l.* only.

The Estimates for 1888-89 are Rx. 253,600 in India for the first head, and 92,000 *l.* in England.

IRRIGATION.

105. The following table shows the state of the account of *Major Works*, that is, of those works of which the construction is charged outside the Revenue Account, or to the Protective Grant, and which are, in the Revenue Account, charged with the interest payable on the cost of construction:—

	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88, Revised.	1888-89, Budget.
				(Thousands of Rx).				
Direct Revenue	866	931	937	1,075	865	910	975	1,014
Land Revenue	491	469	534	466	562	597	578	591
TOTAL	1,357	1,400	1,471	1,541	1,427	1,507	1,553	1,605
Maintenance	456	502	515	571	593	627	682	671
Net Revenue	901	898	956	970	834	880	871	934
Interest Charge	803	846	894	932	965	992	1,019	1,047
SURPLUS	98	52	62	38	—131	—112	—148	—113

A full account of the details of these figures will be found in Appendix F. They show that the breakdown of revenue which took place in 1885-86 occurred on the Ganges and Lower Ganges Canals, and that a heavy loss took place also on the Western Jumna Canal. In the last case it was merely a reversion from the excessively high standard of revenue of the preceding two years, the receipts from this canal being greatly influenced by the variations of season, as a year of good rainfall at once shows itself in a falling-off in the revenue. In the case of the Lower Ganges Canal the breakdown was caused by the destruction by floods of an aqueduct not far from the head of the canal. Till this costly work is restored the revenue will remain unduly low; the work of restoration is being actively carried on, but it will cost over Rx. 442,000, and will add Rx. 17,700 for all time to the account of interest.

106. From the details to which I have referred, it will be seen that the productive power of the canals varies in a remarkable manner. The Lower Ganges Canal, even in its present crippled condition, pays a net revenue of Rx. 41,859 on a capital expenditure of Rx. 2,925,000, and the Godaveri Delta System gives a net revenue of Rx. 133,197 on a capital account of Rx. 1,065,535. On the other hand, the two canals which we have taken over from companies do not even pay the charges of their maintenance, the return from them being as follows:—

	Capital Account.	Net Loss, 1887-88.
	Rx.	Rx.
Orissa (including the Midnapore and Tidal Canals).	3,315,022	35,000
Karnul Canal	2,165,546	6,384

107. In

107. In the *Minor Works* classed under Irrigation, both capital expenditure and maintenance are charged in the Revenue Account, but, except in Madras, there are now few large items of expenditure remaining under this head. The works consist chiefly of:—

Embankments in the deltas of Bengal and Madras.

Inundation canals in Punjab and Sind.

Navigation canals and rivers in Bengal.

Tanks in Madras.

It is only under this last head that any immediate increase of expenditure may be expected. The land revenue of Madras is largely dependent upon irrigation from tanks, which are scattered all over the country and have come down from ancient times. The Government of Madras has, for some years, had it in contemplation to undertake systematic measures for the improvement and restoration of these works, and, the investigations and plans being now sufficiently far advanced, it proposes to lay out, for some years at least, Rx. 50,000 or Rx. 60,000 upon them. The first year of the outlay is 1888-89, and the Madras Government promises an ample return in the form of improved land revenue.

The Estimates under this head are as follow:—

		Bengal.	Punjab.	Madras.	Bombay.	Other Provinces.	Total.	
		(Thousands of Rx.)						
1886-87	Receipts	86	18	10	15	20	149	542
	Expenditure	124	64	272	161	70	691	
1887-88 Revised	Receipts	93	19	9	16	18	154	629
	Expenditure	170	72	268	176	102	783	
1888-89 Budget	Receipts	92	18	10	15	19	154	711
	Expenditure	182	70	330	173	110	865	

108. The Estimates are, therefore, for net expenditure:—

1887-88, Major Works - - 148; Minor Works - - 629; Total - - 777

1888-89, Major Works - - 113; Minor Works - - 711; Total - - 824

CIVIL AND MILITARY WORKS.

Imperial.

109. Since 1880-81 it has been the practice of the Government of India to set aside an annual sum of Rx. 1,000,000 for military works, which include fortifications and military roads, as well as accommodation for troops. The expenditure on civil works is mostly in the hands of Local Governments, and comes within the Provincial Account, so that the Imperial portion, that is, the expenditure on the Imperial Departments throughout India, and in the smaller provinces under the direct administration of the Government of India, amounted to only about Rx. 400,000, unless special works were being undertaken. Accordingly, in the two years 1884-85 and 1885-86 the expenditure in India was:—

	1884-85.	1885-86.
	Rx.	Rx.
Military Works - - - - - -	943,344	960,415
Civil Works - - - - - - -	465,169	350,452

Besides which, about 70,000 *l.* are spent in England upon furlough and leave allowances of Public Works officers of all branches, and Cooper's Hill College, besides a small amount for stores.

110. But since these years we have two sets of new and heavy charges added to the old standard. In the first place, about Rx. 200,000 a year are being set aside for the construction of a scheme of frontier roads, in the Punjab and Beluchistan, and, in the second place, we have to fit out the new province of Upper Burma with new roads, and with the buildings required both for the military forces there stationed and for purposes connected with civil administration. The two heads therefore, show a rapid increase of expenditure over the standard of 1884-85 and 1885-86, and the figures for the present three years are as follow:—

	1886-87.	1887-88, Revised.	1888-89, Budget.
India:	Rx.	Rx.	Rx.
Military Works—India	985,063	960,200	965,300
Upper Burma	73,950	312,500	190,000
Civil Works—Ordinary	292,042	347,200	306,900
Upper Burma	171,550	320,000	318,300
Frontier Roads	151,080	231,300	177,800
England	87,989	102,000	103,200
Exchange	33,089	42,800	43,400
TOTAL	1,794,763	2,316,000	2,104,900
Deduct Receipts	*228,632	85,400	82,300
Net Expenditure Rx.	1,566,131	2,230,600	2,022,600

* Includes Rx. 150,000 recovered from the Maharaja Sindia on account of Morar Cantonment and Gwalior Fort.

111. The roads, both in Upper Burma and on the frontier, are at present being constructed by the Civil Works Department, and the ordinary Civil Works Grants are now being cut down to their lowest limit, in order to provide money for these new charges. Only Rx. 121,430 is allowed for ordinary "original works" in India in 1888-89, one of the large items being a charge of Rx. 15,500 for a new lighthouse for Oyster Island on the Burma coast.

PROVINCIAL.

112. The provincial portion of this head represents the charges for roads and buildings all over India, and includes the portion that is met out of cesses upon land. This latter portion may be reckoned at Rx. 1,500,000, excluding the portion which the Governments of Bengal and the North Western Provinces may be taken as spending out of the local rates which are credited in their Provincial Account.

113. The Local Governments vary their public works expenditure to a great extent according to the surplus of funds which the Provincial Contracts leave in their hands; so that no particular year's expenditure can be taken as the necessary standard. The following figures compare their expenditure in

1887-88 and 1888-89 with the amount of expenditure which, on the Finance Committee's Report, was fixed as a convenient minimum:—

	Minimum.	1887-88, Revised.	1888-89, Budget.
	Rx.	Rx.	Rx.
Central Provinces	120,000	134,000	163,000
Burma	122,000	121,000	117,000
Assam	50,000	57,000	61,000
Bengal	310,000	283,000	403,000
North Western Provinces	275,000	301,000	275,000
Punjab	230,000	256,000	253,000
Madras	200,000	201,000	236,000
Bombay	293,000	420,000	437,000
TOTAL Rx.	1,600,000	1,773,000	1,945,000

The excess charges of Rx. 345,000 are for the most part met by drawing upon accumulated balances, of which a considerable amount, as will be explained in the section relating to provincial finance, is at present at the disposal of Provincial Governments. The whole account of the figure which is shown in the statement on paragraph 16 is thus made up:—

	1886-87.	1887-88, Revised.	1888-89, Budget.
Civil Works:	(Thousands of Rx.)		
Provincial	1,982	1,773	1,945
Local	1,425	1,511	1,543
TOTAL	3,407	3,284	3,488
Deduct Receipts	499	481	473
Net Expenditure	2,908	2,803	3,015
Deduct portion charged against accumulated Balances		(a)—28	484
Net Estimate		2,831	2,531

(a) This 28 (Rx. 27,700) turns out to be an addition and not a deduction; that is, the whole amount expended is charged to the year, and a further amount of Rx. 27,700 is charged off and laid by, to be spent hereafter (see paragraph 7).

MILITARY EXPENDITURE.

114. The following are the statistics during the past few years:—

	1883-84.	1884-85.	1885-86.	1886-87.	1887-88, Budget.	1887-88, Revised.	1888-89, Budget.
Ordinary Account:			(Thousands of Rx.)				
India	11,003	11,190	11,640	12,188	12,440	12,593	12,931
England	3,966	3,907	3,630	3,513	3,748	3,758	3,727
Exchange	905	949	1,143	1,321	1,392	1,579	1,565
TOTAL	15,874	16,046	16,413	17,022	17,580	17,930	18,223
Afghanistan, net	—	103	2,116	—	—	—	—
Egypt, net	52	—	—	—	—	—	—
Burma, net	—	—	605	1,518	720	1,550	824
Arrear charges	(a) 1,230	—	—	—	—	—	—
	17,156	16,149	19,134	18,540	18,300	19,480	19,047

(a) Payment of a million sterling to the English Exchequer.

 115. The

115. The period included in the above figures is that during which the measures recently taken for the increase of the strength of the Army have been in operation.

The total cost of this increase of the Army may be stated, upon a comparison of Budget Estimates, as follows:—

	Rx.
Budget for 1884-85	11,190,000
Budget for 1887-88	12,440,000
Difference	1,250,000

The standard of expenditure before that increase may be seen from the figures of 1883-84 and 1884-85.

The details of the increase work up to a larger amount, and are, in a general way, as follow:—

	Rx.
1. Augmentation:	
British troops (10,600)	603,000
Native troops (19,000)	521,300
2. Increased Privileges and Pay:	
British troops (mostly exchange)	273,900
Native troops (mostly good-conduct pay and hutting-money)	73,300
Volunteers and pensioners	17,600
3. Malt liquor purchased in India instead of in England	224,400
4. Remounts from Australia (increase)	31,400
5. Better pension rules	10,000
Total	1,754,900

The excess of this amount over the Rx. 1,250,000 may be described as due in about equal parts to economies introduced under other heads of the accounts, and to the fact that the intended measures have not as yet reached their full development. It was stated last year that, out of Rx. 657,000 of this expenditure still remaining to be undertaken on 1st April 1887-88, Rx. 345,000 had been entered in the Estimates of 1887-88, and Rx. 312,000, therefore, still remained to be undertaken after the close of that year.

116. For 1887-88 the Budget Estimate of expenditure on the Army in India stood at,—

	Rx.
Ordinary Account, net	12,440,000
Burma Account	720,000
Total	13,160,000

As the figures now stand, they are,—

	Rx.
Ordinary Account, net	12,593,000
Burma Account	1,550,000
Total	14,143,000

The increase under the first head may be described as mainly due to the following causes: (1) special purchases of transport which were made during the cold weather; (2) the augmentation made in the establishment of British troops having been effected somewhat more quickly than anticipated; and (3) the expedition undertaken at the end of the year in the Sikkim territory.

117. As regards Burma, the Estimates provided for only Rx. 720,000 of expenditure, but before many months had passed it became obvious that the original intentions of Government as to withdrawing the forces could not be carried out,

out, and that it would be necessary to continue operations upon a larger scale than the Estimates provided for. An additional grant of Rx. 280,000 was made for this purpose, and a further amount of Rx. 150,000 was given for payment of gratuity to the troops engaged in Burma, which together made up the addition of Rx. 430,000 which was announced in September last to the House of Commons as having been made to the Estimates of military expenditure.

Later in the year, the state of Burma rendered it advisable to take some active measures for a display of force near the Shan territory, and for operating with small columns in other directions. It was estimated that Rx. 200,000 would be further required for this purpose; but the latest information indicates that another Rx. 200,000 may be necessary. These additions, it will be found, bring the Burma Account up to the figure shown in the Revised Estimates.

118. The Budget Estimates of 1888-89 provide for a still further increase under the ordinary head; which is mainly due to the completion of the augmentation of the Army, but partly also to the commencement of the issue of new arms; an operation in respect of which some heavy expenditure will have to be incurred in the near future.

Special Defences.

119. It will be seen that the Budget Estimates for 1888-89 provide for a very large amount of expenditure under the new head of "Special Defences." The Estimates for 1887-88 provided for only Rx. 474,600, but the Secretary of State, in a Despatch received in May last, urged more speedy progress in the works contemplated under this head. More elaborate arrangements were, therefore, made for this expenditure, and, additional grants being given for it, the expenditure has amounted to Rx. 487,100 in India, besides 57,600 *l.* in England. This English expenditure, which is mostly for armaments and torpedo vessels, would have stood at a higher figure, but for delays which will have the effect of postponing to 1888-89 part of the expenditure originally estimated to come into 1887-88. The English expenditure of 1888-89 accordingly stands at the high figure of 437,700 *l.* sterling, and we have granted Rx. 500,000 for expenditure in India.

120. I may refer to the quotation, under paragraph 11, from the speech of the Under Secretary of State, in which he explains why this expenditure is shown within the Revenue Account, instead of, as was first intended, under the category of Capital Expenditure. The whole amount of the expenditure is at present reckoned at about 930,000 *l.* in England, and Rx. 1,650,000 in India, but these figures cannot be put forward but as very rough estimates, and it is possible that the present programme may be extended.

Section IV.—General Financial Position.

121. Having concluded these observations upon the several divisions of our revenue and expenditure, I would make some remarks upon our general financial position, but that no one can be more conscious than myself how difficult it is, in Indian finance, to look very far beyond the present. Our finance is a strange blending of elements which we can regard with a feeling of certainty and confidence, and of large outlying uncertainties over which we have no control. If we look at those heads of revenue and expenditure which depend upon our own administration, we have every reason to be satisfied. Land Revenue, Salt, Stamps, Excise, Customs: all of these are elastic and progressive. Post Office, Telegraph, and Forests, all of which may be regarded as *quasi*-commercial departments, are more remunerative every year. Civil and public works expenditure are well under control. Railways afford a certain and an advancing income, and the only difficulty connected, from a financial point of view, with the account of their revenues is the vastness of their transactions, which is such that 5 per cent. increase or decrease in their earnings may make a difference of a million, each way, in our accounts.

122. These are the elements of satisfaction and of comparative certainty. On the other side, we have 8½ millions of our revenue, namely, the Opium Revenue, liable to be adversely affected, and at the present moment adversely affected, by the policy of China, and the increasing competition of other nations

to supply the Chinese demand. We are obliged, by our military position, to take a share in the policy of armament which, willingly or unwillingly, the great European nations have been driven to adopt. And finally, and more directly affecting us, is the uncertainty of silver. The fall in its value seems to be temporarily arrested, but no one can say for how long we shall have a respite from the progressive increase of our burdens which this fall has hitherto imposed upon us. The chances of famine, too, are to be regarded, though it is certain that, through the extension of railways, a new famine will be combated with very much smaller outlay of money than any former one.

123. The question of Indian finance is, therefore, the question whether, in the face of all these uncertainties, our margin is sufficiently large. And in talking of this margin I do not refer simply to the surplus of Rx. 423,000 which our Budget Account shows, before the expenditure on special defence works is charged against it. When we write of the margin we hold against special uncertainties and special expenditure, we must not reckon merely that portion of the margin which remains to us after much of the special expenditure alluded to is charged against it.

For example, we have, at present, the special burden of the Upper Burma Account, which, for 1888-89, stands as follows:—

	Rx.		Rx.
Revenues - - - -	547,000	Civil Expenditure:	
		Police - - - -	732,000
		Other Departments - -	339,000
		Military Works - - -	190,000
		Civil Works - - -	314,000
		Irrigation - - - -	23,000
		Army Special Expenditure -	824,000
		TOTAL - - - Rx.	2,422,000

showing a net charge of about Rx. 1,875,000, all of which is within our Revenue Account. So, also, we are charging to Revenue about Rx. 178,000 for military roads on the North Western Frontier.

Reckoning these, in the sense in which we are at present discussing the financial position, to be charges against our "margin," we might write the Budget Estimates thus, somewhat rearranging the totals of the statement under paragraph 16:—

	Rx.			Rx.
Ordinary Net Revenues, excluding Upper Burma -	53,550,000	Ordinary Net Expenditure, excluding the above - -		51,074,000
			Rx.	
Upper Burma - - -	547,000	Upper Burma -	2,422,000	
		Frontier Roads -	178,000	
		Special Defences -	1,121,000	
				3,721,000
				54,795,000
TOTAL - - - Rx.	54,097,000	Deficit, including Special Defences - - - -		698,000

124. If

124. If, therefore, we look only at ordinary items, we have a margin of Revenue of Rx. 2,476,000, the excess of Rx. 53,550,000 over Rx. 51,074,000. This margin is what we have to oppose to what, in European continental practice, would be called the "*Budget Extraordinaire*," namely, the special burdens and risks of famine and exchange, of defence of our frontiers and coasts, and of the conquest and settlement of our new province. In the present year, the charges of our "*Budget Extraordinaire*" are specially heavy, and (without reckoning any part of the account of Railway construction on our North-West Frontier) they absorb not only all our margin, but Rx. 698,000 in addition. The security of our present financial position depends upon our estimate of how far we may consider that, though these special burdens cost us net Rx. 3,174,000 in the particular year 1888-89, it is sufficient, on an average of years, to provide only Rx. 2,476,000 for them. The present scale of expenditure in Upper Burma and on Special Defences is practically certain of early reduction; but, although it is possible that Famine charges and Exchange may add to our expenditure as much as we are in other directions relieved of, we have adopted a high standard in measuring our financial obligations, and can point with some confidence to the recuperative power shown by our revenues, and to the fact that their natural increase, much more than any special measures of taxation, has hitherto enabled us to meet the ever-growing burdens which recent years have forced upon us.

SECTION V.—PROVINCIAL FINANCE.

125. It may be convenient in this place to enter upon a short review of the state of Provincial Finances. The new contracts with the Provincial Governments have now been in operation for one year, and the state of their Accounts and Estimates, after the close of the first year's transactions, shows very fairly how the new contracts may be expected to operate during their five years' currency. It will be borne in mind that the operation of the Provincial Contracts upon the general account is this: their Revenue and Expenditure is brought to account in the same way as general Revenue and Expenditure; but the amount by which their expenditure in any year falls short of their revenue is at once charged off the general revenue account as if it had been spent, and remains at their credit for expenditure in a subsequent year.

REVIEW BY PROVINCES.

126. *Central Provinces.*—(Disposable Revenue, about Rx. 700,000.) The Chief Commissioner will have, on 31st March, an excess of Revenue of about Rx. 180,200 to his credit, his fixed minimum being Rx. 80,000. The scale of expenditure appears to be within the means of the current Revenue, and the Chief Commissioner is proposing to expend a considerable portion of his accumulated balances upon Public Works. As a present excess in this class of expenditure can be discontinued as soon as necessary, the position of Central Provinces finance may be described as safe, but requiring careful management.

127. *Burma.*—(Disposable Revenue, from Rx. 1,250,000 to Rx. 1,300,000). The minimum balance in this province is Rx. 60,000, so that a considerable part of the existing balance (Rx. 116,400 upon 31st March 1888) may be described as available for expenditure. The Police expenditure is a heavy weight upon Provincial finances. A considerable improvement in Railway receipts has added to the balance at credit during 1887-88; but in the estimates of 1888-89 the increase of Police and other charges absorbs this improvement of Revenue. The balance at credit is meantime maintained, and the position is therefore a safe one.

128. *Assam.*—(Disposable Revenue, about Rx. 490,000.) With an economical measure of Public Works expenditure, the Chief Commissioner's means are sufficient for the demands upon him.

129. *Bengal.*—(Disposable Revenue, about Rx. 4,800,000.) The contract made last year imposed upon the Government of Bengal the necessity of very careful management, if not of positive economies. The Budget estimates for 1887-88 not only opened with a balance below the prescribed minimum

(Rx. 200,000), but proposed still further to trench upon it. Careful finance and prosperous revenues have largely restored its position. The revenue under Stamps (of which three-quarters goes to the Provincial share) continues to show considerable elasticity, and Excise has also so greatly improved that the Provincial Government, on its one-quarter share, has gained an advantage of nearly Rx. 24,000. Bengal Railways have, during 1887-88, contributed an unexpectedly large revenue.

The result of these improvements, and of enforced economies on the expenditure side, is that the financial position of Bengal is, for the time, completely re-established, and it enters upon the year 1888-89, with a balance of Rx. 150,000 to the good, in excess of the minimum it is obliged to keep in hand. According to the Budget Estimates for 1888-89 this balance will be reduced, during the year, by grants made to Local Funds in aid of Local Expenditure.

130. *North-Western Provinces.*—(Disposable Revenue, about Rx. 3,200,000.) The year 1886-87, the last of the old contract, was a very prosperous year for the North-Western Provinces account, and they found their account close with a balance of Rx. 433,800, while they had estimated for Rx. 296,400 only. The account is at present, and has for two or three years been, seriously affected by a failure of Irrigation Revenue, caused by the break-down of the Nadrai Aqueduct. The loss due to this cause is partly made up for by a special temporary grant from Imperial Revenues, but, even including this special grant, the revenue received by the Provincial account has been, in 1887-88, about Rx. 35,000 worse than anticipated. On the other hand, there has been a fair improvement under the Principal Revenue heads; though not enough to make up for the loss under Irrigation.

The North-Western Provinces Government has, in 1887-88, spent a part of its excess balances in Railway construction and in increasing the grants to Local Funds, a kind of expenditure which, within certain limits, can be reduced when necessary. It proposes to continue the same policy in 1888-89; and for that year its estimates are safe. But after 1888-9 its present scale of expenditure is dependent upon its receiving improvements in its revenue. If its Irrigation Revenue is restored within a year or two, it will be in easy circumstances; but apart from this consideration, it is, on its present scale of expenditure, making full use of its assigned revenues.

131. *Punjab.*—(Disposable Revenue, Rx. 1,580,000.) The account at present shows only a small scale of improvement of Revenue, and the Revenue is only enough to meet the expenditure. There is at present a small excess in the balance, which is Rx. 70,000 in excess of the fixed minimum, and this for the present affords a small margin on which to work. As Land Revenue Settlement is going on actively in the province, and as the Punjab gets 40 per cent. of any increase of Land Revenue, it is not unlikely that it may find, in increases of Land Revenue, a means of more easily meeting the demands for expenditure that are made upon it.

132. *Madras.*—(Disposable Revenue, Rx. 2,700,000.) The contract with the Government of Madras was based upon a moderate estimate of Land Revenue, as the Land Revenue of that province is much more liable to be affected by vicissitude of seasons than that of any other part of India. The season 1887-88 has been and promises to be favourable, and Madras has secured under this head a considerable advance of Revenue. Stamps and Excise Revenue have also advanced, and under these three heads and Assessed Taxes (which appear to have been estimated too moderately) the Provincial Revenues of Madras have been, in 1887-88, about Rx. 109,000 in excess of the estimate at which they were assigned. But part of this improvement may, as just stated, disappear in a bad season, by short collections of Land Revenue.

The very favourable year 1886-87, combined with economical management of its finances, left Madras with the very high balance of Rx. 433,700 with which to commence the new quinquennial period. It has taken advantage of this high balance to seek a long-postponed reform, in the reorganization of its

Subordinate

Subordinate Revenue Service, which will involve an annual expenditure of Rx. 50,000, but will ultimately, it is not unlikely, result in an improvement of Revenue.

Only a moderate extension of expenditure having been incurred in 1887-88, the year will finish with a balance of about Rx. 58,500 in excess of the amount in hand in the beginning of the year; but, as in 1888-89 the Madras Government will have to meet the expenditure upon improved establishments already mentioned, and proposes also to enhance its grants for Public Works and for Irrigation, the balance is estimated to be somewhat reduced by the year's operations. It will still, however, stand at the very high figure of Rx. 455,300 (the minimum being Rx. 200,000), and this margin affords ample security both for continuing the higher scale of expenditure now entered upon, and against the chances of a bad Land Revenue year.

133. *Bombay.*—(Disposable Revenue, Rx. 2,900,000 *). The contract made with Bombay in 1882 was a very favourable one, and became still more favourable through the large increases of revenue which accrued in that wealthy Presidency. The result was that, notwithstanding considerable increases of expenditure under Education and other heads, the account of the Provincial Government closed at the end of 1886-87 with the very high balance of Rx. 548,900. This high balance the Government of Bombay are utilizing for Public Works Expenditure, and, having during the two years 1887-88 and 1888-89, increased, by Rx. 128.000 and Rx. 145,000 respectively, the rate of expenditure (Rx. 293.000) which was fixed, after the Finance Committee's investigations, as the necessary minimum, they will, it is estimated, reduce the balance, by the end of 1888-89, to Rx. 318,200, still considerably in excess of the fixed minimum of Rx. 200,000.

Apart from the high balance which is thus being disposed of, the Revenues have also considerably increased. Land Revenue steadily advances, Stamps and Excise show considerable increase, and Assessed Taxes have also produced a higher income than anticipated. The Revenue Account of the Provincial Government stands, on the whole, at nearly Rx. 80,000 higher than it did a year ago. Part of this improvement in its resources the Provincial Government has assigned for increases in its expenditure, but the financial position is, on the whole, extremely flourishing.

134. There is therefore no one of the Provincial Governments which has not revenue enough for its present scale of expenditure, or rather, which has incurred any permanent obligations as to expenditure, which are beyond the scale of its revenue. Moreover, all the principal ones have balances which they are seeking the means of profitably expending. Their position is in curious contrast with that of the Imperial Government. But, though the Imperial Government may for the time envy the Provincial Governments in their possession of assured revenues and high balances, it should be borne in mind that these ample revenues have been created by the provincial system, and would not have existed but for the assignment to the Provincial Governments of their share in the improvement of them.

Section VI.—CAPITAL EXPENDITURE OF GOVERNMENT.

135. It will be appropriate in this place to give some account of the Capital Expenditure on construction of Railways and Irrigation Works, which, in the Statements of expenditure, are shown "under the line," that is, as carried on out of funds supplied by borrowing.

The

* The adjustment of alienated Land Revenue being omitted from both sides.

The Budget and Revised Estimates for 1887-88 compare as follows: —

	1887-88.		1888-89.
	Budget.	Revised.	Budget.
	Rx.	Rx.	Rx.
State Railways:			
India	2,435,900	2,145,600	2,062,800
England	1,355,000	1,140,000	973,000
Exchange	503,300	478,800	408,700
Irrigation:			
India	700,000	592,900	600,000
England	—	7,000	—
Exchange	—	2,900	—
TOTAL Rx.	4,994,200	4,367,200	4,044,500
Deduct refund by the Bengal-Nagpore Company	—	1,390,400	—
NET Rx.	4,994,200	2,976,800	4,044,500

From these figures it will be seen that the programme of expenditure laid down for 1887-88 has been fairly adhered to, though the large refund from the Bengal-Nagpur Company, on their taking over the Nagpur-Chhattisgarh Line, alters largely the total appearing under the head of Capital Outlay.

136. The following are the main items included in the Railway figures:—

RAILWAYS.	Revised Estimate, 1887-88.	Budget Estimate, 1888-89.
	Rx.	Rx.
Open Lines:		
Rajputana-Malwa	170,900	—11,000
Eastern-Bengal	243,500	22,300
North-Western	780,500	111,000
Cuddapah-Nellore	85,679	7,700
Lines under Construction:		
Tounghoo-Mandalay	1,053,800	738,200
Assam-Behar	229,750	308,000
Bellary-Kistna	405,000	25,000
Bezvada-Hyderabad-Frontier	115,400	52,000
Sind-Pishin	231,050	301,560
Chaman Extension	138,800	536,600
Bolan (High Level line)	194,730	64,500
Frontier Reserve Stores	42,652	—12,400
Chenab Bridge	10,600	181,000
Sind-Sagar (Western Section)	237,050	250,500
Sutlej Bridge	77,170	20,000
Sealkote-Jummoo	—	32,500
Metre gauge Rolling-Stock, Plant, and Permanent-way material, to be taken over by Government from the Bengal-Nagpur Railway, on completion of conversion to standard gauge	—	200,000

Rajputana-Malwa.—There has been a large accumulation of stores during 1887-88, chiefly of coal and other supplies from England, which will, it is expected, be utilised during 1888 89. The greater portion of the charge to Capital in 1887-88 is due to this cause. The balance of the expenditure was chiefly incurred on land and additional Rolling-Stock found necessary.

Eastern Bengal.—The bulk of the expenditure during 1887-88 has been incurred in providing additional Rolling-Stock and Steamers, which the increasing traffic has rendered necessary, in completing the Kidderpore dock line, doubling the Chitpore line, re-modelling the Chitpore yard, and constructing the Chitpore over-bridge, all required for working the growing traffic. In 1888-89, the proposed expenditure is chiefly to provide additional waterway to make the line safe against floods and some additional stock. Additions to workshops and offices are also contemplated.

North-Western.—The expenditure during 1887-88 is chiefly on additional stock for the North-Western system, and improving the gradients on the Punjab Northern Section. The estimate also includes the cost of a large quantity of permanent way material for renewals received from England too late in the year to be laid before the 31st March. This material will be issued to Revenue in 1888-89, and the credit has been provided for in the Budget Estimate. The expenditure proposed for 1888 89 is chiefly on the improvement of gradients on the Punjab Northern Section, the Sukkur Bridge, and on additional sidings, crossing stations, and watering arrangements, to bring the line up to the standard required to meet the traffic that will pass over this line in the event of military operations beyond the frontier.

Cuddapah-Nellore.—The funds allotted are required to complete the works on this line.

Tounghoo-Mandalay, and *Assam-Behar.*—The funds allotted will practically complete these lines by the close of 1888-89.

Bellary-Kistna.—This line has been transferred to the Southern Mahratta Railway Company as from 1st January 1888. Under the terms of the transfer the State has to bear all expenditure incurred up to the 31st December 1887, and all liabilities outstanding on that date. Provision has been made accordingly in the estimates.

Bezvada-Hyderabad-Frontier.—The funds allotted will complete this line.

Sind-Pishin.—The grants provide for the completion, by the close of 1888-89, of all works now considered necessary.

Chaman Extension.—Provison has been made for this work being vigorously pushed on during 1888-89. The bulk of the expenditure in 1888-89 will be incurred on the tunnel.

Bolan (*High Level Line*).—Funds have been allotted to admit of the completion, during the coming year, of the section at present sanctioned.

Frontier Reserve Stores.—The estimates provide for the supply and collection of the material which Government has decided to retain as a reserve. The credit in 1888-89 is due to the issue of stores to the Chaman Extension.

Chenab Bridge at Ramawalla.—Only preliminary operations have been carried out during 1887-88, but the Budget of 1888-89 provides for work being vigorously pushed on.

Sind-Sagar (*Western Section*).—The grants will practically complete this line. The expenditure proposed for 1888-89 is chiefly in equipping the line with Rolling Stock.

Sutlej Bridge (*Ferozepore*).—The grants provide for the completion of the bridge. Some further expenditure on training works may hereafter be found necessary.

Sealkote-Jummoo.—The grant for 1888-89 provides for the completion of the section of this line which lies in British territory. That within Jummoo territory will be constructed, at the same time, by the Durbar.

Bengal-Nagpur.—Under the terms of the contract with the Bengal-Nagpur Railway Company, the State is bound to take over, from the Company, the metre gauge stock, plant, and materials, of the Nagpur-Raj Nandgaon Section (formerly known as the Nagpur-Chhattisgarh State Railway) on the completion of the conversion of that section from metre to broad gauge. The value of the material is estimated at Rx. 200,000. This material will be utilised or disposed of hereafter as opportunity offers.

137. Among the Irrigation grants, the only large works are the Nadrai Aqueduct upon the Lower Ganges Canal (*see* paragraph 105), which it is hoped to complete by October 1889, the completion of the Orissa Canals, and of the Kistna Delta System, and the Periyar Project in Madras. This last is a project for conveying eastward, into the Madura District, a stream which at present flows westward, and it includes a tunnel through the hills which at present form the watershed. The remaining works are mostly developments of existing irrigation systems.

SECTION VII.—WAYS AND MEANS—HOME TREASURY.

138. The Secretary of State's estimates of the transactions at the Home Treasury for 1887-88 were as follows:—

NET RECEIPTS.	Budget.	Revised.
	£.	£.
Council Bills	16,250,000	15,250,000
Receipts from Railway Companies for Capital Expenditure	3,772,800	7,166,700 (*a*)
Deposits and Advances	5,900	— 900
Add Opening Balance	2,077,100	3,280,800
TOTAL £.	22,105,800	25,696,600
NET OUTGOINGS.		
Excess of Expenditure over Revenue	14,632,100	15,216,200
Capital Expenditure of Government in England	1,421,300	1,147,000
Issues to Railway Companies for expenditure	2,755,800	2,716,600
On account of Remittances from India	1,125,300	1,000,500
Add Closing Balance	2,171,300	5,614,300
TOTAL £.	22,105,800	25,696,600

(*a*) £. 2,000,000 of the amount shown in the Budget Estimate was received between the settlement of those Estimates and 31st March 1887, and therefore came into the accounts of 1886-87. The amount, however, is included here for purposes of comparison as if it had come in after 31st March, the opening balance being altered correspondingly.

Aided Railway Companies.

139. The Secretary of State's operations are at present greatly influenced by the transactions arising in connection with the Railway Companies. During the year 1887-88 it will be seen that the receipts of capital subscribed by them were greatly in excess of the original estimates. This was mainly under the following heads:—

	Original Estimate.	Revised Estimate.
	£.	£.
Indian Midland	105,000	1,093,500
Southern Mahratta	300,000	1,133,250
Bengal-Nagpore	1,000,000	2,338,400
Bengal Central	—	250,000
	1,405,000	4,815,150
Excess		3,410,150

These great differences partly arose out of new arrangements entered into after the Budget Estimates were compiled; and partly from the fact that the companies arrange their raising of capital more with reference to the state of the money market than with reference to their immediate prospects of expenditure.

The present condition of the operations of these companies is as follows:—

140. The Indian Midland Company had paid up 2,896,500 *l.*, and spent Rx. 2,270,000 by the end of 1886-87; an operation which, at the contract rate of exchange, leaves them with a balance to credit of Rx. 1,350,000. The funds which the company estimate they will require for their expenditure are as follows:—

	In England.	In India.
	£.	*Rx.*
1887-88	898,400	1,393,709
1888-89	635,000	1,500,000

and, as they estimate to raise a little over 1,000,000 *l.* in each year, they will considerably overspend their capital.

141. A great part of the extra capital of the Southern Mahratta Railway has been raised in connection with the recent transfer to them of the Bellary-Kistna Railway. They do not pay up any of the capital already spent by Government, but they undertake to complete the line, and they have raised the capital necessary to do so.

Their estimates of expenditure, including the Mysore Railway, are:

	In England.	In India.
	£.	*Rx.*
1887-88	203,200	790,000
1888-89	241,000	958,800

and they propose to raise 500,000 *l.* in 1888-89.

142. The Bengal-Nagpur Railway Company was formed towards the end of 1886-87, the initial capital being 3,000,000 *l.* Of this amount they paid to Government about Rx. 1,390,000 for the existing Chhattisgarh State line and work done on the extension of it, and they have been actively spending money on construction during the last half of 1887-88. They will have paid up about 4,000,000 *l.* of capital by the end of 1887-88, and of this Rx. 2,800,000 will have been spent, including the above Rx. 1,390,000.

Their estimates of expenditure are:

	England.	India.
	£.	Rx.
1887-88	593,000	1,965,500
1888-89	871,000	1,500,000

These will only a little more than exhaust the capital at their credit on 31st March 1888. They propose, however, to raise a further amount of capital of about 1,032,700 *l.*

143. The Secretary of State, having to make payments of over 1,500,000 *l.* during the first week of April, requires to finish the financial year with a cash balance of at least 2,000,000 *l.* This, it will be seen, was the result aimed at in the Budget Estimates, but the receipts of railway capital altogether altered the position in this respect, and the Secretary of State, notwithstanding the reduction from 16,250,000 *l.* to 15,250,000 *l.* of his demands in the shape of council bills, will end the year with a cash balance of about 3,500,000 *l.* in excess of the required amount. This excess, which is ordinarily lent at interest in the London market, represents funds which will be drawn upon in 1888-89 by the railway companies in England and in India for their capital outlay.

Council Bills.

144. The following is the Secretary of State's Budget Estimate of Ways and Means for 1888-89, made up in the same form as above, the transactions being, as before, necessarily governed by the estimates of receipts and payments on account of the railway companies:—

Net Receipts.	£.
Council Bills	14,000,000
Receipts from Railway Companies for Capital Expenditure.	2,653,800
Deposits and Advances	4,500
Add Opening Balance	5,614,300
Total	22,272,600
Net Outgoings.	
Excess of Expenditure over Revenue	15,028,700
Capital Expenditure of Government in England	973,000
Issues to Railway Companies for Expenditure	2,901,300
On account of Remittances from India	1,091,200
Add Closing Balance	2,278,400
Total	22,272,600

145. It will be observed that the Secretary of State proposes to draw 14,000,000 *l.* of council bills during the year, and does not propose to raise any new funds by sterling loans. It will be fully understood that, in stating these as the present intentions of the Secretary of State, no sort of pledge is given that he

he will adhere to the programme thus explained, and he remains absolutely at liberty to raise money either by bills or by loans, from time to time, as he deems expedient.

There will be two operations on the money market, namely, the settlement of the remainder of the 4 per cent. Sterling Stock (about five millions), and the purchase of the Oude and Rohilkund Railway under the terms of its contract (an operation of over 10 millions), but these transactions do not enter the above account.

SECTION VIII.—WAYS AND MEANS—INDIA, 1887-88.

146. The following figures compare the Budget Estimate of Ways and Means of 1887-88 with the Revised Estimates:—

	Budget.	Revised.
NET RECEIPTS.	Rx.	Rx.
1. Excess of Revenue in India over the Expenditure charged against it.	20,083,600	18,590,300
2. Public Loan	2,000,000	1,934,000
3. Loan from the Gwalior State	3,500,000	3,500,000
4. Increase of Unfunded Debt, mostly Savings Bank Deposits.	713,100	922,100
5. *For Remittance to Secretary of State*	1,032,000	982,800
Add Opening Balance	13,016,600	13,195,800
Rx.	40,345,300	39,124,500
NET OUTGOINGS.		
6. Expenditure charged to Provincial Balances	759,600	—27,700
7. Capital Expenditure of Government in India	3,519,600	1,348,100
8. Loans to Municipalities, &c. (chiefly the Calcutta and Bombay Dock Loans).	677,200	422,500
9. Other items (*a*)	325,400	—344,700
10. *Issues on Capital Account to Railway Companies, against Receipts in England.*	1,673,200	3,165,000
11. Council Bills—*Sterling Account*	16,250,000	14,691,100
12. „ „ Exchange	6,035,600	6,137,100
Add Closing Balance	11,104,700	13,733,100
Rx.	40,345,300	39,124,500

The transactions recorded in *italics* are connected with, and explained by, the corresponding figures of the Secretary of State's Account in England. The others are purely Indian transactions.

(*a*) The explanation of this is omitted, as it would be of a highly technical character. It arises to a very large extent out of the exchange entries that are necessary in charging off exchange upon the English expenditure, and in connection with railway companies and other remittance accounts.

147. The first entry shows the result of the falling-off in opium and railway revenue, and of the excess of military expenditure in Burma, and the transfer to expenditure of the special defences charges, which, in the Budget, were taken under Head 7. The remaining accounts on the receipt side show little variation from Estimate.

148. On the outgoing side, the main departures from Estimate are explained by the alterations which have been explained in dealing with railway companies' transactions. The figures may be explained thus :—

	Capital Expenditure.	Railway Companies.	Council Bills.
Budget Estimate - - - - - - -	3,519,660	1,673,200	16,250,000
Transfer of Special Defence Works to Revenue Account - - - - - - - -	—383,700	—	—
Bengal-Nagpur Company's Purchase of existing Railway - - - - - - - -	—1,390,400	+ 1,390,400	—
Bengal-Nagpur Company's further transactions	- -	+ 575,100	—
Reductions of Drawings by one million - -	- -	- -	—1,000,000
Further reduction of demand by cessation of Telegraphic Drawings, about - - - -	- -	- -	—550,000
Result - - - - - - -	1,745,500	3,638,700	14,700,000
Compare actual outturn of Revised Estimates	1,348,100	3,165,000	14,691,100

149. The loans were, as usual, estimated to be sufficient to carry us over the low period of balances, November and December, with a cash balance of about Rx. 8,000,000. The Secretary of State's drawings, during the first four months of the year, were very considerable, 6,090,729 *l.*=Rx. 8,649,500 having been allotted during that time, and Rx. 7,820,300 having been paid in India. The rate of both allotments and payments fell off during the next four months, the total, up to the end of November, being Rx. 13,432,300 allotted, and Rx. 12,273,800 paid in India. The payments thus fell short of the drawings by Rx. 1,154,500, a circumstance due for the most part to the fact that the proportion of telegraphic drawings greatly fell off.

We were meantime receiving the proceeds of the two loans indicated as Nos. 2 and 3 in the above statement of account, the receipts being in the first case completed in September, and, in the second, in the beginning of November.

The balances therefore were unusually easy, and never fell below Rx. 10,000,000.

Rupee Loan of 1887-88.

150. The public loan of 200 lakhs was issued upon 5th July, and tenders were received upon 2nd August. The total amount tendered was Rx. 4,538,580, of which the following were accepted :—

	Rx.
At minimum accepted rate of ₹ 97.4 (52 per cent.) - - -	235,800
Above said rate - - - - - - - - - - -	1,764,200
	2,000,000

The actual receipts being Rx. 1,948,511, or an average rate of ₹ 97.6.10 per ₹ 100.

Gwalior Loan.

151. Of the Gwalior Loan the terms were arranged with the Council of Regency as follows :—

(1.) The amount received, which was mostly in Gwalior and Chandori rupees, to be credited at their bullion equivalent, ₹ 1 for every 165 grains pure silver, without deduction of seignorage or melting charges.

(2.) The

(2.) The amount to bear interest at 4 per cent. per annum, payable half-yearly.

(3.) The loan to be repaid in annual instalments of 12 lakhs each, commencing when the present Maharaja is invested with full powers of administration.

A small portion of the loan was received in Government rupees at the Agra Treasury, but the rest was brought down to the Calcutta Mint in four successive remittances. So uniform did the Mint find the standard of the coinage to be, that it was found possible so to alligate the numbers of Gwalior rupees (which are above British Indian standard) and of Chandori rupees (which are below it) that silver of rupee standard was produced with a single melting; and, after the whole operation was over, the amount received in remittance was found to fall short of the bullion required for the standard outturn in Government rupees by ₹ 5,967 only.

The settlement of the Interest Account up to date was made on 1st February 1888, by a payment to the Council of Regency of about Rx. 75,000, and Rx. 70,000 (seven lakhs) will be paid every 1st February and 1st August hereafter.

152. It seems desirable to take this opportunity of explaining how this loan affects the finances of the Gwalior State. The revenue of that State has for a long time largely exceeded the expenditure, and in fact it is this excess which is represented in the silver which the late Maharaja Sindia left hoarded in his palaces. The present Council of Regency have entered upon an enlightened policy of administration, which will involve considerable additions to the expenditure of the State; but their reforms would certainly border upon recklessness, if there were any chance of their immediately not only absorbing the whole of the present surplus of revenue, but also trenching upon the accumulations of the past. In investing these accumulations in a loan to the Government of India, the Council of Regency, therefore, have not given up out of their possession a single rupee which there was any chance of their being able to devote to the benefit of the Gwalior State itself. The interests of expenditure being already amply secured by the existing surplus of revenue, the Council had before them the choice between leaving the hoards lying absolutely unproductive in the palaces or fort of Gwalior, and lending them, so as to produce a still further surplus of revenue, of several lakhs a year. There can be no doubt which of these two courses will add most to the wealth and prosperity of the State, and to the means at the disposal of the Maharaja's Government. The conditions which the Council have made for the repayment of the amount ensure the return of the money to the Treasury of the State long before there can be any claim upon it on account of local needs; and meantime the local revenues will have received a handsome addition from the interest arising out of the investment.

Indian Savings Banks.

153. Our borrowing transactions at present obtain no inconsiderable supplement from the operations of the savings banks and allied institutions.

The Indian savings banks date from 1833, when they were opened in the presidency towns of Calcutta, Madras, and Bombay. The Madras and Bombay Banks gradually extended their operations into the interior of their respective presidencies through the agency of the various Government Treasuries. The Calcutta Bank did not achieve similar results, and accordingly, in 1870, arrangements were made for establishing district savings banks at the district treasuries in the Bengal Presidency and in Burma and Berar. A further development of the system occurred in 1882, when Post Office savings banks were introduced. These have rapidly advanced in public estimation, and have now superseded the older institutions, so far as the district treasuries are concerned. There now exist, therefore, outside the three presidency towns only the postal banks. In 1886 these began to receive and repay deposits at rural post offices, thereby carrying encouragement to thrift into tracts of country where these had never been known before.

While the wants of the general public were being provided for in this way, the Government opened, in 1859, military banks for its European non-commissioned officers and soldiers, and in 1879 provident institutions for the employés of State railways. In 1884 the Civil Engineers' Provident Fund was commenced, and it has since been opened to officers of the Telegraph Department.

The following figures show the progress of these banks since the Mutiny of 1857:—

Years.	Total Deposits.	Total Withdrawals.	Total Balances.
	Rx.	Rx.	Rx.
1857–58	228,400	159,700	389,800
1860–61	327,600	311,900	623,700
1865–66	380,400	362,700	633,800
1870–71	674,100	605,100	1,150,000
1875–76	737,500	653,400	1,895,500
1880–81	2,044,800	1,114,000	3,213,700
1885–86	3,772,200	3,378,100	5,081,200
1886–87	5,330,700	4,616,400	5,795,500
1887–88, Revised Estimate	4,440,400	3,570,800	6,665,100
1888–89, Budget Estimate	4,949,300	4,162,900	7,451,500

To the figures thus estimated, we have to add the probable transactions of the Uncovenanted Service Funds and a few smaller amounts, and these give us the net receipts shown under "Unfunded Debt" in our statements.

Calcutta and Bombay Docks.

154. The eighth item in the above list of transactions refers to the arrangement under which the Government are finding funds for the Kidderpore Dock works at Calcutta, and the extension of docks at Bombay. The former of these projects was estimated to cost, when complete, Rx. 2,750,000, and the latter, Rx. 940,000; but, the port trustees not being able to obtain money in the Indian money market on sufficiently favourable terms, an arrangement was made whereby the Government raises the money for them, and advances it on condition of receiving the same rate of interest which it has to pay (a little over 4 per cent.), and of having an additional 1 per cent. put aside as a sinking fund in repayment.

The advances made by Government to the port trustees of Calcutta and of Bombay, on account of their dock works, have been as follows:—

Advances.	Calcutta.	Bombay.
	Rx.	Rx.
Till end of 1886-87	560,500	511,800
In 1887-88 (*a*)	300,000	300,000
Total Rx.	860,500	811,800

(*a*) Partly estimate.

In

In 1888-89 the trustees will, it is estimated, require funds as follows:—

	Calcutta.	Bombay.
	Rx.	Rx.
1888-89 - - - - - - -	449,000	75,000

Section IX.—WAYS AND MEANS—INDIA, 1888-89.

155. It remains to estimate for the Ways and Means of 1888-89. We have already dealt with the separate items which enter into this Estimate, the excess of revenue over expenditure in India, the provision required for capital expenditure, of Government, of railway companies, and of the port trusts of Calcutta and Bombay, and the demands of the Secretary of State on account of Council drawings.

Necessary Cash Balances.

156. It is necessary to explain in a few words the principle which regulates our calculation of Ways and Means in India. Our receipts of revenue, and some of our other transactions, are very unevenly distributed through the year. The four months, January to April, embrace a very heavy revenue period, during which, notwithstanding heavy payments of Council bills, our cash balances continually increase; and during May and June the revenue is still good enough to maintain the high figure. But during the next five months, and especially August, September, and October, the revenue receipts fall far short of the demand on the treasuries, and the balances run down quickly, even when we are receiving the proceeds of a loan. December is the month during which the balances are ordinarily at their lowest point.

Now, many years of experiment have shown us that the amount below which we may not suffer our balances to fall is 800 lakhs (Rx. 8,000,000). Our daily transactions average about 50 lakhs (Rx. 500,000) of receipts and the same amount of outgoings, and we have to provide for them at somewhat over 200 treasuries, and about four times that number of sub-treasuries. There is no system of Treasury bills as in England, and little borrowable capital, to carry us over a temporary deficit; we have to keep our own money ready to meet the demands upon us.

Our Ways and Means Estimates are, therefore, so regulated that we may be sure of having, in the months of November and December, the necessary minimum of 800 lakhs. A slackness of Council-bill drawings, or other causes, may result in our tiding over the low period with ease, and with a margin over the fixed minimum; but we cannot afford in any case to go below it.

Proposed Rupee Loan.

157. We estimate that we will require a loan of Rx. 3,000,000 to carry us over the year, but, as in the case of the English Account, no pledge can be given either as to the amount of the loan, or the time when it will be issued, or the conditions which will attach to it.

158. The Estimate accordingly, made up in the same form as in paragraph 146, stands as follows:—

NET RECEIPTS.	
Excess of Revenue in India over the Expenditure charged against it	20,642,800
Public Loan	3,000,000
Increase of Unfunded Debt, mostly Savings Bank Deposits	845,300
For Remittance to Secretary of State	1,020,700
Add Opening Balance	13,733,100
	39,241,900
NET OUTGOINGS.	
Expenditure charged to Provincial Balances	483,600
Capital Expenditure of Government in India	2,662,800
Loans to Municipalities, &c. (chiefly the Calcutta and Bombay Dock Loans)	486,800
Other items	472,500
Issues on Capital Account to Railway Companies against Receipts in England	2,895,900
Council Bills—*Sterling Account*	*14,548,500
" Exchange (at Rx. 42 per 100 *l.*)	6,110,400
" Add Closing Balance	11,581,400
	39,241,900

* Allowing for an excess of payments against the deficiency in 1887–88.

It will be seen that, in addition to the ordinary capital expenditure of the Government of India, we have unusually heavy payments for loan works and to railway companies. We begin the year with a strong balance, and estimate to finish it with a sufficient one.

SECTION X.—SUMMARY.

159. I summarise the various points in this Financial Statement as follows:—

(*a*) The accounts of 1886-87 close with a surplus of Rx. 178,427, even after charging off the special defence works. The revenue was much better than the Revised Estimates, and the excess amply covered an excess of army expenditure, besides meeting the charges for special defence works.

(*b*) The Revised Estimates of 1887-88 show a deficit of Rx. 2,437,800, to which must be added the charges of Rx. 568,900 for special defence works. This depreciation is mainly due to an exceptional charge of Rx. 1,059,000 arising in connection with the conversion of the 4 per cent. Sterling Loan into 3½ per cent.; to further fall of silver, and consequent increase of exchange charges by about Rx. 710,000; and to heavy military expenditure, Rx. 830,000, in excess of Budget Estimate, in Upper Burma. The losses of opium and of railway revenue have been made up by improving revenue under other heads, and saving in expenditure.

(*c*) The Budget Estimates for 1888-89 show a financial position closely approximating to that explained on 27th January. The surplus in the Estimates, apart from the special defence expenditure, is Rx. 423,000. As compared with the statement of 27th January, there is considerable increase in the expenditure on the Army, but the improvements in revenue are sufficient to make up for it. Upper Burma continues to require high expenditure, both under Police and under Army.

The special defences expenditure, however, is to be vigorously pushed on, and anticipated charges of Rx. 1,121,000 under this head (about Rx. 370,000 more than was put down on 27th January as the annual demand) convert the surplus of Rx. 423,000 into a deficit of Rx. 698,000.

(*d*) For

(*d*) For capital expenditure on railways and irrigation, Rx. 4,367,200 will be spent in 1887-88, and Rx. 4,044,500 is provided for 1888-89. The largest items are the Mandalay Railway and the railways on the North Western Frontier.

The Bengal-Nagpur, the Indian Midland, and the Southern Mahratta Railway Companies have, during 1887-88, extended their arrangements with the Secretary of State, and are all engaged in active railway construction.

(*e*) The Secretary of State proposes to draw, during 1888-89, for 14,000,000 *l.* of Council bills. He does not propose to raise any sterling loan.

(*f*) The Government of India propose to raise a rupee loan of Rx. 3,000,000, of which Rx. 524,000 is required for the dock works at Calcutta and Bombay.

26 March 1888. *J. Westland.*

APPENDICES.

APPENDIX I.

ACCOUNTS AND ESTIMATES.

ACCOUNTS - - - - -	1886-87.
REVISED ESTIMATES - - -	1887-88.
BUDGET ESTIMATES - - -	1888-89.

CONTENTS.

	PAGES
General Statement of the Accounts and Estimates of the Revenue and Expenditure, and Receipts and Disbursements, of the Government of India, in India and in England - - - - - - - - - - - - - - - -	90
A.—Statement of the Revenue of India, in India and in England - - - - -	92
B.—Statement of the Expenditure chargeable on the Revenues of India, in India and in England - - - - - - - - - - - - - - -	94
C.—Statement of Receipts and Disbursements other than Revenue and Expenditure of the Government of India, in India and in England - - - - - -	98
D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Contracts - -	100
E.—Statement of Net Revenue and Expenditure, England and India - - - -	102

GENERAL STATEMENT of the ACCOUNTS and ESTIMATES of the GOVERNMENT OF INDIA,

	For Detail, *vide* Statement.	RECEIPTS.			
		Accounts, 1886–87.	Budget Estimate, 1887–88.	Revised Estimate, 1887–88.	Budget Estimate, 1888–89.
REVENUE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Principal Heads of Revenue:					
Land Revenue	–	23,055,724	22,937,600	22,982,900	23,090,500
Opium	–	8,942,976	8,893,300	8,544,200	8,453,900
Salt	–	6,657,644	6,604,600	6,723,100	8,122,500
Stamps	–	3,751,280	3,716,200	3,848,100	3,854,400
Excise	–	4,375,174	4,225,400	4,503,100	4,609,500
Other Heads	A.	7,699,333	7,751,600	7,954,300	8,081,600
TOTAL, PRINCIPAL HEADS	„	54,482,131	54,128,700	54,555,700	56,212,400
Interest	„	670,548	686,500	749,200	656,300
Post Office, Telegraph, and Mint	„	2,027,482	2,025,300	2,186,600	2,131,300
Receipts by Civil Departments	„	1,461,658	1,425,300	1,419,500	1,424,000
Miscellaneous	„	848,274	1,177,000	1,349,900	1,166,200
Railways	„	14,477,759	14,892,500	14,412,800	15,184,700
Irrigation	„	1,656,705	1,688,000	1,706,800	1,758,700
Buildings and Roads	„	727,574	539,500	566,200	555,100
Receipts by Military Departments	„	985,003	897,400	979,900	921,800
TOTAL REVENUE	–	**77,337,134**	**77,460,200**	**77,926,600**	**80,010,500**
EXTRAORDINARY RECEIPTS	–	—	—	63,700	—
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (*net* incurred)	C.	9,727,538	2,000,500	5,434,000	2,998,500
Unfunded Debt (net incurred)	„	775,845	4,213,100	922,100	845,300
Deposits and Advances (net)	„	1,305,177	—	76,400	—
Loans to Municipalities, Native States, &c. (net *Recoveries*).	„	82,826	—	—	—
Remittances (net)	„	236,551	—	948,600	—
Secretary of State's Bills drawn	„	12,136,279	16,250,000	15,250,000	14,000,000
TOTAL RECEIPTS	–	101,601,350	99,923,800	100,621,400	97,854,300
Balance on 1st April—India	–	12,754,478	13,016,578	13,195,785	13,733,085
England	–	4,726,585	2,077,085	5,280,829	5,614,329
GRAND TOTAL	–	119,082,413	115,017,463	119,098,014	117,201,714

Fort William, Department of Finance and Commerce,
26 March 1888.

E. W. Kellner,
Deputy Comptroller General.

REVENUE and EXPENDITURE, and RECEIPTS and DISBURSEMENTS, of the in INDIA and in ENGLAND.

	For Detail, *vide* Statement.	DISBURSEMENTS.			
		Accounts, 1886-87.	Budget Estimate, 1887-88.	Revised Estimate, 1887-88.	Budget Estimate, 1888-89.
EXPENDITURE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Direct Demands on the Revenues	B.	9,746,191	9,650,600	9,611,500	9,863,000
Interest	„	4,310,403	4,412,200	5,518,700	4,508,400
Post Office, Telegraph, and Mint	„	2,145,262	2,261,500	2,256,200	2,182,200
Salaries and Expenses of Civil Departments	„	12,698,516	13,179,700	12,897,300	13,098,300
Miscellaneous Civil Charges	„	4,701,057	4,856,200	4,777,200	4,857,900
Famine Relief and Insurance	„	309,020	94,500	93,300	73,200
Construction of Railways (charged against Revenue, in addition to that under Famine Insurance).	„	183,077	75,000	81,700	43,800
Railway Revenue Account	„	15,666,427	16,481,900	16,567,100	17,299,600
Irrigation	„	2,310,654	2,441,300	2,484,400	2,582,300
Buildings and Roads	„	5,201,767	5,553,200	5,599,600	5,592,900
Army Services	„	19,525,042	19,197,000	20,459,700	19,969,000
Special Defence Works	–	325,626	—	568,900	1,121,500
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL	–	77,123,042	78,203,100	80,915,600	81,192,100
Add,—Provincial Surpluses, that is, portion of Allotments to Provincial Governments not spent by them in the year.	End of B.	+316,482	—	+293,700	+9,800
Deduct,—Provincial Deficits, that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	—280,817	—759,600	—266,000	—493,400
TOTAL EXPENDITURE charged against REVENUE	–	**77,158,707**	**77,443,500**	**80,943,300**	**80,708,500**
EXPENDITURE NOT CHARGED TO REVENUE:					
Capital Outlay on Railways and Irrigation Works	End of B.	5,670,484	4,994,200	2,976,800	4,044,500
Special Defence Works	„	—	474,600	—	—
Capital Charge involved in Redemption of Liabilities	–	4,914,546	—	—	—
DEBT, DEPOSITS, AND ADVANCES:					
Deposits and Advances (net)	C.	—	1,160,800	—	340,900
Loans to Municipalities, Native States, &c. (net Payments).	„	—	677,200	422,500	486,800
Capital of Railway Companies (net Payments)	„	684,373	656,200	716,900	3,143,400
Remittances (net)	„	—	85,900	—	69,300
Secretary of State's Bills paid	„	12,177,689	16,250,000	14,691,100	14,548,500
TOTAL DISBURSEMENTS	–	100,605,799	101,741,500	99,750,600	103,341,900
Balance on 31st March—India	–	13,195,785	11,104,678	13,733,085	11,581,385
England	–	5,280,829	2,171,285	5,614,329	2,278,429
GRAND TOTAL	–	119,082,413	115,017,463	119,098,014	117,201,714
Revenue		77,337,134	77,460,200	77,926,600	80,010,500
Expenditure chargeable thereon		77,158,707	77,443,500	80,943,300	80,708,500
Surplus + or Deficit —		+ 178,427	+ 16,700	—3,016,700	— 698,000

E. Gay,
Comptroller General.

E. J. Sinkinson,
Officiating Secretary to the Government of India.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

HEADS OF REVENUE.	ACCOUNTS, 1886–87. India. Imperial.	India. Provincial and Local.	England.	Exchange.* 1 s. 5·441 d.	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
PRINCIPAL HEADS OF REVENUE:	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—Land Revenue	14,106,066	8,949,658	- -	- -	23,055,724	14,048,100	8,934,800
II.—Opium	8,942,976	- -	- -	- -	8,942,976	8,544,200	- -
III.—Salt	6,621,128	36,516	- -	- -	6,657,644	6,696,200	26,900
IV.—Stamps	1,898,364	1,852,916	- -	- -	3,751,280	1,116,500	2,731,600
V.—Excise	2,225,101	2,150,079	- -	- -	4,375,174	3,302,700	1,200,400
VI.—Provincial Rates	1,376	2,998,485	- -	- -	2,999,861	900	2,997,800
VII.—Customs	1,072,817	173,476	- -	- -	1,246,293	1,331,900	14,700
VIII.—Assessed Taxes	1,103,300	251,435	- -	- -	1,354,735	839,500	577,600
IX.—Forest	501,518	602,452	- -	- -	1,103,970	522,000	619,700
X.—Registration	150,555	148,504	- -	- -	299,059	156,300	153,900
XI.—Tributes from Native States	695,415	- -	- -	- -	695,415	740,000	- -
Total	37,318,616	17,163,515	- -	- -	**54,482,131**	37,298,300	17,257,400
XII.—Interest	578,627	35,018	41,352	15,551	**670,548**	623,900	31,600
POST OFFICE, TELEGRAPH, AND MINT:							
XIII.—Post Office	1,149,565	4,742	- -	- -	1,154,307	1,196,600	4,200
XIV.—Telegraph	679,179	416	9,558	3,594	692,747	753,500	500
XV.—Mint	180,346	- -	60	22	180,428	216,000	- -
Total	2,009,090	5,158	9,618	3,616	**2,027,482**	2,166,100	4,700
RECEIPTS BY CIVIL DEPARTMENTS:							
XVI.—Law and Justice { Courts	} 56,249	530,947	- -	- -	587,196 {	19,600	291,200
XVI.—Law and Justice { Jails						19,200	215,600
XVII.—Police	11,836	304,027	- -	- -	315,863	16,600	313,900
XVIII.—Marine	83,126	116,903	- -	- -	200,029	73,800	122,700
XIX.—Education	1,417	206,978	- -	- -	208,395	1,300	212,000
XX.—Medical	16	61,171	2,488	936	64,611	- -	55,900
XXI.—Scientific and other Minor Departments.	23,797	60,941	600	226	85,564	18,600	54,600
Total	176,441	1,280,967	3,088	1,162	**1,461,658**	149,100	1,265,900
MISCELLANEOUS:							
XXII.—Receipts in aid of Superannuation, &c.	223,735	34,509	102,769	38,648	399,661	216,200	35,400
XXIII.—Stationery and Printing	49,545	47,271	- -	- -	96,816	32,306	41,800
XXIV.—Exchange	- -	- -	- -	- -	- -	518,900	- -
XXV.—Miscellaneous	81,291	261,048	6,873	2,585	351,797	90,200	258,900
Total	354,571	342,828	109,642	41,233	**848,274**	857,600	336,100
RAILWAYS:							
XXVI.—State Railways (Gross Earnings)	9,720,058	1,108,653	230	86	10,829,027	9,349,000	1,502,200
XXVII.—Guaranteed Companies (Net Traffic Receipts).	3,647,116	- -	- -	- -	3,647,116	3,534,000	- -
XXVIII.—Subsidised Companies (Repayment of Advances of Interest).	1,584	32	- -	- -	1,616	27,300	- -
Total	13,368,758	1,108,685	230	86	**14,477,759**	12,910,300	1,502,200
IRRIGATION:							
XXIX.—Major Works: Direct Receipts	313,367	596,457	- -	- -	909,824	412,700	561,800
Portion of Land Revenue due to Irrigation.	597,469	- -	- -	- -	597,469	578,400	- -
XXX.—Minor Works and Navigation	32,936	116,476	- -	- -	149,412	30,200	123,700
Total	943,772	712,933	- -	- -	**1,656,705**	1,021,300	685,500
BUILDINGS AND ROADS:							
XXXI.—Military Works	188,384	- -	- -	- -	188,384	37,700	- -
XXXII.—Civil Works	9,588	498,942	22,281	8,379	539,190	11,500	480,800
Total	197,972	498,942	22,281	8,379	**727,574**	49,200	480,800
RECEIPTS BY MILITARY DEPARTMENTS:							
XXXIII.—Army: Effective	864,240	- -	47,162	17,736	929,138	869,800	- -
Non-effective	49,978	- -	4,278	1,609	55,865	50,200	- -
Total	914,218	- -	51,440	19,345	**985,003**	920,000	- -
TOTAL REVENUES	55,862,065	21,148,046	237,651	89,372	**77,337,134**	55,995,800	21,564,200

* The columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England, Exchange thereon calculated in accordance with the average rate obtained for Bills and Telegraphic Transfers sold during the year.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1887-88.			Increase + Decrease — of Revised as compared with Budget Estimates, 1887-88.	BUDGET ESTIMATE, 1888-89.					Increase + Decrease — of Budget, 1888-89, as compared with Revised Estimates, 1887-88.
				India.					
England.	Exchange.* 1 *s.* 4·9 *d.*	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.* 1 *s.* 4·9 *d.*	TOTAL.	
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*
- -	- -	22,982,900	+ 45,300	14,109,800	8,980,700	- -	- -	23,090,500	+ 107,600
- -	- -	8,544,200	— 349,100	8,453,900	- -	- -	- -	8,453,900	— 90,300
- -	- -	6,723.100	+ 118,500	8,099,900	22,600	- -	- -	8,122,500	+1,399,400
- -	- -	3,848,100	+ 131,900	1,115,800	2,738,600	- -	- -	3,854,400	+ 6,300
- -	- -	4,503,100	+ 277,700	3,389,600	1,219,900	- -	- -	4,609,500	+ 106,400
- -	- -	2,998,700	+ 41,200	900	3,012,400	- -	- -	3,013,300	+ 14,600
- -	- -	1,346,600	+ 113,900	1,354,700	14,400	- -	- -	1,369,100	+ 22,500
- -	- -	1,417,100	+ 11,100	874,900	576,900	- -	- -	1,451,800	+ 34,700
- -	- -	1,141,700	+ 11,000	554,100	617,500	- -	- -	1,171,600	+ 29,900
- -	- -	310,200	+ 7,500	155,000	152,900	- -	- -	307,900	— 2,300
- -	- -	740,000	+ 18,000	767,900	- -	- -	- -	767,900	+ 27,900
- -	- -	**54,555,700**	+ 427,000	38,876,500	17,335,900	- -	- -	**56,212,400**	+1,656,700
66,000	27,700	**749,200**	+ 62,700	610,700	31,400	10,000	4,200	**656,300**	— 92,900
- -	- -	1,200,800	— 15,500	1,237,900	4,200	- -	- -	1,242,100	+ 41,300
11,100	4,700	769,800	+ 131,200	689,400	500	6,600	2,800	699,300	— 70,500
- -	- -	216,000	+ 45,600	189,900	- -	- -	- -	189,900	— 26,100
11,100	4,700	**2,186,600**	+ 161,300	2,117,200	4,700	6,600	2,800	**2,131,300**	— 55,300
- -	- -	310,800	+ 12,900	19,500	285,100	- -	- -	304,600	— 6,200
- -	- -	234,800	— 58,700	19,600	238,500	- -	- -	258,100	+ 23,300
- -	- -	330,500	+ 6,600	18,300	303,500	- -	- -	321,800	— 8,700
- -	- -	196,500	+ 23,200	69,400	118,900	- -	- -	188,300	— 8,200
- -	- -	213,300	+ 14,600	1,300	200,100	- -	- -	201,400	— 11,900
2,500	1,000	59,400	+ 2,900	- -	58,400	2,300	1,000	61,700	+ 2,300
700	300	74,200	— 7,300	19,400	67,000	1,200	500	88,100	+ 13,900
3,200	1,300	**1,419,500**	— 5,800	147,500	1,271,500	3,500	1,500	**1,424,000**	+ 4,500
104,600	43,900	400,100	+ 7,700	208,000	34,800	98,100	41,200	382,100	— 18,000
- -	- -	74,100	— 23,100	18,900	41,200	- -	- -	60,100	— 14,000
- -	- -	518,900	+ 153,500	415,000	- -	- -	- -	415,000	— 103,900
5,400	2,300	356,800	+ 34,800	55,800	249,700	2,500	1,000	309,000	— 47,800
110,000	46,200	**1,349,900**	+ 172,900	697,700	325,700	100,600	42,200	**1,166,200**	— 183,700
200	100	10,851,500	— 467,300	10,205,700	1,534,900	200	100	11,740,900	+ 889,400
- -	- -	3,534,000	+ 19,000	3,405,000	- -	- -	- -	3,405,000	— 129,000
- -	- -	27,300	— 31,400	38,800	- -	- -	- -	38,800	+ 11,500
200	100	**14,412,800**	—479,700	13,649,500	1,534,900	200	100	**15,184,700**	+ 771,900
- -	- -	974,500	+ 15,300	446,700	567,400	- -	- -	1,014,100	+ 39,600
- -	- -	578,400	+ 1,900	590,300	- -	- -	- -	590,300	+ 11,900
- -	- -	153,900	+ 1,600	30,500	123,800	- -	- -	154,300	+ 400
- -	- -	**1,706,800**	+ 18,800	1,067,500	691,200	- -	- -	**1,758,700**	+ 51,900
- -	- -	37,700	+ 1,300	36,000	- -	- -	- -	36,000	— 1,700
25,500	10,700	528,500	+ 25,400	7,500	472,800	27,300	11,500	519,100	— 9,400
25,500	10,700	**566,200**	+ 26,700	43,500	472,800	27,300	11,500	**555,100**	— 11,100
37,300	15,700	922,800	+ 80,700	822,700	- -	28,000	11,700	862,400	— 60,400
4,900	2,000	57,100	+ 1,800	52,300	- -	5,000	2,100	59,400	+ 2,300
42,200	17,700	**979,900**	+ 82,500	875,000	- -	33,000	13,800	**921,800**	— 58,100
258,200	108,400	**77,926,600**	+ 466,400	58,085,100	21,668,100	181,200	76,100	**80,010,500**	+ 2,083,900

B.—STATEMENT of the EXPENDITURE Chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1886-87. India. Imperial.	India. Provincial and Local.	England.	Exchange.† 1s. 5·441d.	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
	Rx.	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
DIRECT DEMANDS ON THE REVENUES:							
1.—Refunds and Drawbacks	138,414	76,118	-	-	214,532	141,900	69,800
2.—Assignments and Compensations	542,282	904,655	-	-	1,446,937	542,900	926,200
Charges in respect of Collection, viz.:							
3.—Land Revenue	317,647	3,145,100	1,094	411	3,464,252	251,900	3,266,900
4.—Opium including cost of production)	2,726,512	-	1,854	697	2,729,063	2,510,400	-
5.—Salt (including cost of production)	388,715	97,447	7	3	486,172	427,800	1,500
6.—Stamps	21,539	64,081	44,470	16,724	146,814	— 7,100	91,800
7.—Excise	58,244	58,264	161	61	116,730	89,500	32,900
8.—Provincial Rates	-	51,105	-	-	51,105	-	64,000
9.—Customs	-	135,818	-	-	135,818	49,400	87,500
10.—Assessed Taxes	44,066	6,092	-	-	50,158	16,100	14,500
11.—Forest	312,089	404,324	2,436	916	719,765	342,800	417,800
12.—Registration	92,729	92,116	-	-	184,845	94,900	94,000
Total	4,640,237	5,035,120	50,022	18,812	**9,746,191**	4,460,500	5,066,900
INTEREST:							
13.—Interest on Debt* other than that charged to Railways and Irrigation Works.	375,388	-	2,596,975	976,633	3,948,996	342,000	-
14.—Interest on other Obligations	358,378	2,729	218	82	361,407	394,500	2,500
Total	733,766	2,729	2,597,193	976,715	**4,310,403**	736,500	2,500
POST OFFICE, TELEGRAPH, AND MINT:							
15.—Post Office	1,079,312	109,308	117,125	44,047	1,350,292	1,101,100	110,900
16.—Telegraph	560,038	622	111,771	42,033	714,464	590,500	500
17.—Mint	71,306	-	6,686	2,514	80,506	91,000	-
Total	1,710,656	110,430	235,582	88,594	**2,145,262**	1,782,600	111,400
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:							
18.—General Administration	615,600	776,669	248,248	93,358	1,733,875	620,800	773,100
19.—Law and Justice { Courts	193,196	3,201,789	1,067	401	3,396,453	73,400	2,581,400
{ Jails						132,100	616,600
20.—Police	442,526	2,842,571	-	-	3,285,097	807,600	2,919,300
21.—Marine (including River Navigation)	404,773	126,165	230,502	86,684	848,124	308,400	132,700
22.—Education	15,844	1,288,888	440	165	1,305,337	16,100	1,264,900
23.—Ecclesiastical	158,576	-	300	113	158,989	159,600	-
24.—Medical	23,441	723,379	7,169	2,696	756,685	39,500	715,100
25.—Political	713,536	237	29,825	11,216	754,814	630,900	16,700
26.—Scientific and other Minor Departments	274,034	157,116	20,342	7,650	459,142	266,500	144,100
Total	2,841,526	9,116,814	537,893	202,283	**12,698,516**	3,054,900	9,163,900
MISCELLANEOUS CIVIL CHARGES:							
27.—Territorial and Political Pensions	622,524	-	18,287	6,877	647,688	586,500	-
28.—Civil Furlough and Absentee Allowances	1,787	-	187,742	70,603	260,132	3,200	-
29.—Superannuation Allowances and Pensions	91,276	601,207	1,575,929	592,653	2,861,065	87,900	626,800
30.—Stationery and Printing	73,899	361,772	91,826	34,533	562,030	60,600	385,800
31.—Exchange	26,302	-	-	-	26,302	-	-
32.—Miscellaneous	89,700	212,310	30,398	11,432	343,840	65,700	182,500
Total	905,488	1,175,289	1,904,182	716,098	**4,701,057**	803,900	1,195,100
FAMINE RELIEF AND INSURANCE:							
33.—Famine Relief	-	1,041	-	-	1,041	-	800
34.—Construction of Protective Railways	200,000	-	-	-	200,000	-	-
35.—Construction of Protective Irrigation Works	107,979	-	-	-	107,979	92,500	-
36.—Reduction of Debt	-	-	-	-	-	-	-
Total	307,979	1,041	-	-	**309,020**	92,500	800
Carried forward	11,141,652	15,441,423	5,324,872	2,002,502	33,910,449	10,930,900	15,540,600

	ACCOUNTS, 1886-87. India.	England.	Exchange.	TOTAL.
* The "Interest on Debt" is distributed as follows:—	*Rx.*	£.	*Rx.*	*Rx.*
Interest on Debt (other than that charged to Railways and Irrigation Works) as above	375,388	2,596,975	976,633	3,948,996
Under Railway Revenue Account	2,423,448	566,049	212,871	3,202,368
Under Irrigation	992,591	-	-	992,591
TOTAL	3,791,427	3,163,024	1,189,504	8,143,955

† *See* foot-note to Statement A., p. 92.

Revenues of India, in India and in England.

ESTIMATE, 1887-88.			Increase+ Decrease— of Revised as compared with Budget Estimates, 1887-88.	BUDGET ESTIMATE, 1888-89.					Increase+ Decrease— of Budget, 1888-89, as compared with Revised Estimates, 1887-88.
				India.					
England.	Exchange. 1 *s.* 4·9 *d.*	Total.		Imperial.	Provincial and Local.	England.	Exchange. 1 *s.* 4·9 *d.*	Total.	
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*
- -	- -	211,700	+ 9,500	130,000	65,100	- -	- -	195,100	— 16,600
- -	- -	1,469,100	+101,500	570,100	923,900	- -	- -	1,494,000	+ 24,900
200	100	3,519,100	—149,700	292,300	3,390,500	900	400	3,684,100	+165,000
1,200	500	2,512,100	+ 6,000	2,553,800	- -	600	300	2,554,700	+ 42,600
100	- -	429,400	— 39,700	449,300	1,500	100	- -	450,900	+ 21,500
55,700	23,400	163,800	— 14,000	— 8,600	92,100	64,400	27,100	175,000	+ 11,200
100	- -	122,500	+ 3,600	93,700	33,900	100	- -	127,700	+ 5,200
- -	- -	64,000	+ 16,800	- -	57,600	- -	- -	57,600	— 6,400
100	- -	137,000	+ 1,900	51,000	87,500	- -	- -	138,500	+ 1,500
- -	- -	30,600	— 3,000	15,100	12,200	- -	- -	27,300	— 3,300
1,900	800	763,300	+ 25,700	345,100	422,500	2,100	900	770,600	+ 7,300
- -	- -	188,900	+ 2,300	94,200	93,300	- -	- -	187,500	— 1,400
59,300	24,800	**9,611,500**	— 39,100	4,586,000	5,180,100	68,200	28,700	**9,863,000**	+ 251,500
3,365,700	1,413,600	5,121,300	+1,096,200	392,100	- -	2,593,900	1,089,400	4,075,400	—1,045,900
300	100	397,400	+ 10,300	429,900	2,400	500	200	433,000	+ 35,600
3,366,000	1,413,700	**5,518,700**	+1,106,500	822,000	2,400	2,594,400	1,089,600	**4,508,400**	—1,010,300
116,300	48,900	1,377,200	+ 12,700	1,112,100	111,100	96,500	40,500	1,360,200	— 17,000
133,400	56,000	780,400	— 30,500	549,300	500	131,100	55,100	736,000	— 44,400
5,300	2,300	98,600	+ 12,500	81,200	- -	3,400	1,400	86,000	— 12,600
255,000	107,200	**2,256,200**	— 5,300	1,742,600	111,600	231,000	97,000	**2,182,200**	— 74,000
268,900	112,900	1,775,700	+ 65,400	611,700	775,500	250,500	105,200	1,742,900	— 32,800
500	200	2,655,500	— 44,000	88,800	2,622,600	1,400	600	2,713,400	+ 57,900
- -	- -	748,700	— 66,900	140,200	660,000	- -	- -	800,200	+ 51,500
- -	- -	3,726,900	+ 11,600	841,100	2,935,100	- -	- -	3,776,200	+ 49,300
148,300	62,300	651,700	—212,800	323,000	162,600	92,000	38,700	616,300	— 35,400
700	300	1,282,000	— 37,300	17,400	1,312,000	1,300	500	1,331,200	+ 49,200
500	200	160,300	— 11,600	166,600	- -	300	100	167,000	+ 6,700
7,000	2,900	764,500	— 38,700	39,200	741,000	7,200	3,000	790,400	+ 25,900
30,500	12,800	690,900	+ 60,300	659,500	16,300	27,300	11,500	714,600	+ 23,700
21,500	9,000	441,100	— 8,400	264,400	153,300	20,000	8,400	446,100	+ 5,000
477,900	200,600	**12,897,300**	—282,400	3,151,900	9,378,400	400,000	168,000	**13,098,300**	+ 201,000
15,900	6,700	609,100	— 66,400	552,600	- -	12,500	5,200	570,300	— 38,800
216,000	90,700	309,900	+ 6,900	3,100	- -	217,000	91,100	311,200	+ 1,300
1,603,000	673,300	2,991,000	+ 72,700	92,500	639,200	1,618,000	679,600	3,029,300	+ 38,300
87,500	36,800	570,700	— 22,400	62,200	386,700	111,700	46,900	607,500	+ 36,800
—	—	—	—	—	—	—	—	—	—
34,000	14,300	296,500	— 69,800	103,000	193,200	30,600	12,800	339,600	+ 43,100
1,956,400	821,800	**4,777,200**	— 79,000	813,400	1,219,100	1,989,800	835,600	**4,857,900**	+ 80,700
- -	- -	800	— 1,200	- -	500	- -	- -	500	— 300
—	—	—	—	—	—	—	—	—	—
- -	- -	92,500	- -	72,700	- -	- -	- -	72,700	— 19,800
—	—	—	—	—	—	—	—	—	—
- -	- -	**93,300**	— 1,200	72,700	500	- -	- -	**73,200**	— 20,100
6,114,600	2,568,100	35,154,200	+ 699,500	11,188,600	15,892,100	5,283,400	2,218,900	34,583,000	— 571,200

REVISED ESTIMATE, 1887-88.				BUDGET ESTIMATE, 1888-89.			
India	England.	Exchange.	Total.	India.	England.	Exchange.	Total.
Rx.	£.	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*
342,000	3,365,700	1,413,600	5,121,300	392,100	2,593,900	1,089,400	4,075,400
2,587,200	552,100	231,900	3,371,200	2,706,400	549,200	230,700	3,486,300
1,019,200	- -	- -	1,019,200	1,046,700	- -	- -	1,046,700
3,948 400	3,917,800	1,645,500	9,511,700	4,145,200	3,143,100	1,320,100	8,608,400

B.—STATEMENT of the EXPENDITURE Chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1886-87. India. Imperial.	India. Provincial and Local.	England.	Exchange.* 1 s. 5·441 d.	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
	Rx.	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward	11,141,652	15,441,423	5,324,672	2,002,502	33,910,449	10,930,900	15,540,600
37.—CONSTRUCTION of RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	- -	183,077	- -	- -	**183,077**	- -	81,700
RAILWAY REVENUE ACCOUNT:							
38.—State Railways: Working Expenses	4,554,385	665,504	- -	- -	5,219,889	4,676,200	784,500
Interest on Debt	2,026,745	396,703	566,049	212,871	3,202,368	2,143,600	443,600
Annuities in purchase of Railways	- -	- -	1,677,700	630,925	2,308,625	- -	- -
Interest on Capital deposited by Companies	347	- -	343,631	129,228	473,206	400	- -
39.—Guaranteed Companies: Surplus Profits, Land, and Supervision.	600,833	- -	- -	- -	600,833	721,000	- -
Interest	10,648	- -	2,696,976	1,014,240	3,721,864	29,900	- -
40.—Subsidised Companies: Land, &c.	30,680	14,563	- -	- -	45,243	32,500	14,500
Advances of Interest	- -	- -	- -	- -	- -	- -	- -
41.—Miscellaneous Railway Expenditure	81,270	13,129	- -	- -	94,399	44,000	9 400
Total	7,304,908	1,089,899	5,284,356	1,987,264	**15,666,427**	7,647,600	1,252,000
IRRIGATION:							
42.—Major Works: Working Expenses	279,893	346,880	- -	- -	626,773	310,700	372,000
Interest on Debt	506,574	486,017	- -	- -	992,591	514,500	504,700
43.—Minor Works and Navigation	531,288	158,081	1,396	525	691,290	280,500	501,900
Total	1,317,755	990,978	1,396	525	**2,310,654**	1,105,700	1,378,600
BUILDINGS AND ROADS:							
44.—Military Works	1,059,013	- -	1,908	717	1,061,638	1,272,700	- -
45.—Civil Works	614,672	3,407,004	86,081	32,372	4,140,129	898,500	3,283,600
Total	1,673,685	3,407,004	87,989	33,089	**5,201,767**	2,171,200	3,283,600
ARMY SERVICES:							
46.—Army: Effective	13,771,197	- -	1,786,601	671,879	16,229,677	14,197,900	- -
„ Non-Effective	849,319	- -	1,777,565	668,481	3,295,365	865,100	- -
Total	14,620,516	- -	3,564,166	1,340,360	**19,525,042**	15,063,000	- -
SPECIAL DEFENCE WORKS:							
47.—Special Defence Works	123,110	- -	147,170	55,346	**325,626**	487,100	- -
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL	36,181,626	21,112,381	14,409,949	5,419,086	77,123,042	37,405,500	21,536,500
Add,—Portion of Allotments to Provincial Governments not spent by them in the Year	- -	+ 316,482	- -	- -	+ 35,665	- -	+293,700
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances	- -	—280,817	- -	- -		- -	—266,000
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	36,181,626	21,148,046	14,409,949	5,419,086	**77,158,707**	37,405,500	21,564,200

	ACCOUNTS, 1886-87. India.	England.	Exchange (charged against Revenue).	TOTAL.
EXPENDITURE NOT CHARGED TO REVENUE:	*Rx.*	£.	*Rx.*	*Rx.*
Capital Outlay on Railways and Irrigation Works:				
48.—State Railways: Construction	3,305,221	1,321,074	496,810	5,123,105
49.—Irrigation Works	544,615	2,009	755	547,379
TOTAL	3,849,836	1,323,083	497,565	**5,670,484**
50.—CAPITAL CHARGE INVOLVED IN REDEMPTION OF LIABILITIES.	- -	4,914,546	- -	**4,914,546**

* *See* foot-note to Statement A., p. 92.

REVENUES of INDIA, in INDIA and in ENGLAND—*continued.*

ESTIMATE, 1887-88.			Increase + Decrease — of Revised as compared with Budget Estimates, 1887-88.	BUDGET ESTIMATE, 1888-89.					Increase + Decrease — of Budget, 1888-89, as compared with Revised Estimates, 1887-88.
				India.					
England.	Exchange.* 1 *s.* 4·9 *d.*	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.* 1 *s.* 4·9 *d.*	TOTAL.	
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*
6,114,600	2,568,100	35,154,200	+ 699,500	11,188,600	15,892,100	5,283,400	2,218,900	34,583,000	— 571,200
- -	- -	81,700	+ 6,700	- -	43,800	- -	- -	43,800	— 37,900
- -	- -	5,460,700	— 370,600	5,178,000	804,200	- -	- -	5,982,200	+ 521,500
552,100	231,900	3,371,200	+ 52,800	2,244,100	462,300	549,200	230,700	3,486,300	+ 115,100
1,683,500	707,100	2,390,600	+ 82,500	- -	- -	1,688,700	709,300	2,398,000	+ 7,400
469,000	197,000	666,400	+ 81,200	400	- -	655,600	275,400	931,400	+ 265,000
- -	- -	721,000	+ 148,000	527,500	- -	- -	- -	527,500	— 193,500
2,695,000	1,131,900	3,856,800	+ 124,500	8,500	- -	2,722,900	1,143,200	3,873,700	+ 16,900
- -	- -	47,000	— 13,000	17,500	14,700	- -	- -	32,200	— 14,800
- -	- -	- -	—	—	—	—	—	—	—
- -	- -	53,400	— 20,200	60,000	8,300	- -	- -	68,300	+ 14,900
5,399,600	2,267,900	16,567,100	+ 85,200	8,036,000	1,280,500	5,615,500	2,358,600	17,299,600	+ 732,500
- -	- -	682,700	+ 36,800	310,400	360,400	- -	- -	670,800	— 11,900
- -	- -	1,019,200	— 5,700	536,300	510,400	- -	- -	1,046,700	+ 27,500
100	- -	782,500	+ 12,000	282,700	567,200	10,300	4,300	864,800	+ 82,300
100	- -	2,484,400	+ 43,100	1,129,400	1,438,300	10,300	4,300	2,582,300	+ 97,900
6,300	2,600	1,281,600	— 19,100	1,155,300	- -	1,400	600	1,157,300	— 124,300
95,700	40,200	4,318,000	+ 65,500	803,000	3,488,000	101,800	42,800	4,435,600	+ 117,600
102,000	42,800	5,599,600	+ 46,400	1,958,300	3,488,000	103,200	43,400	5,592,900	— 6,700
1,898,300	797,300	16,893,500	+1,163,000	13,752,300	- -	1,741,800	731,600	16,225,700	— 667,800
1,902,200	798,900	3,566,200	+ 99,700	877,700	- -	2,018,000	847,600	3,743,300	+ 177,100
3,800,500	1,596,200	20,459,700	+1,262,700	14,630,000	- -	3,759,800	1,579,200	19,969,000	— 490,700
57,600	24,200	568,900	+ 568,900	500,000	- -	437,700	183,800	1,121,500	+ 552,600
15,474,400	6,499,200	80,915,600	+2,712,500	37,442,300	22,151,700	15,209,900	6,388,200	81,192,100	+ 276,500
- -	- -	+ 27,700	- -	- -	+ 9,800 —493,400	- -	- -	— 483,600	—
15,474,400	6,499,200	80,943,300	+2,712,500	37,442,300	21,668,100	15,209,900	6,388,200	80,708,500	+ 276,500

REVISED ESTIMATE, 1887-88.				BUDGET ESTIMATE, 1888-89.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
Rx.	£.	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*
755,200	1,140,000	478,800	2,374,000	2,062,800	973,000	408,700	3,444,500
592,900	7,000	2,900	602,800	600,000	- -	- -	600,000
1,348,100	1,147,000	481,700	2,976,800	2,662,800	973,000	408,700	4,044,500
—	—	—	—	—	—	—	—

* *See* foot-note to Statement A., p. 92.

C.—STATEMENT of Receipts and Disbursements other than Revenue

	Accounts, 1886-87.			Revised Estimate, 1887-88.			Budget Estimate, 1888-89.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Revenue (from Statement A.)	77,010,111	237,651	77,247,762	77,560,000	258,200	77,818,200	79,753,200	181,200	79,934,400
Exchange added to Revenue	89,372	—	89,372	108,400	—	108,400	76,100	—	76,100
Extraordinary Receipts	—	—	—	63,700	—	63,700	—	—	—
Total	77,099,483	237,651	77,337,134	77,732,100	258,200	77,990,300	79,829,300	181,200	80,010,500
Permanent Debt Incurred:									
Sterling Debt:									
India 3½ per Cent. Stock	—	4,914,546	—	—	—	—	—	—	—
India 3 per Cent. Stock	—	5,207,446	—	—	—	—	—	—	—
Debentures and Debenture Stock.	—	—	—	—	—	—	—	—	—
Rupee Debt:									
4 per Cent. Rupee Loan	1,200,000	—	—	2,000,000	—	—	—	—	—
Gwalior Loan	—	—	—	3,500,000	—	—	—	—	—
Stock Notes	8,860	—	—	1,900	—	—	1,500	—	—
Miscellaneous	—	—	—	—	—	—	—	—	—
Proposed Loan	—	—	—	—	—	—	3,000,000	—	—
Total	1,208,860	10,121,992	11,330,852	5,501,900	—	5,501,900	3,001,500	—	3,001,500
Net	—	—	9,727,538	—	—	5,434,000	—	—	2,998,500
Unfunded Debt:									
Temporary Loans	—	—	—	—	—	—	—	—	—
Special Loans	—	—	—	—	—	—	—	—	—
Treasury Notes	450	—	—	128,200	—	—	128,800	—	—
Deposits of Service Funds	127,009	—	—						
Savings Bank Deposits	5,353,975	—	—	4,465,200	—	—	4,974,900	—	—
Total	5,481,434	—	5,481,434	4,593,400	—	4,593,400	5,103,700	—	5,103,700
Net	—	—	775,845	—	—	922,100	—	—	845,300
Deposits and Advances:									
Balances of Provincial Allotments	316,482	—	—	293,700	—	—	9,800	—	—
Excluded Local Funds	678,794	—	—	635,900	—	—	641,100	—	—
Political and Railway Funds	41,520	—	—	309,300	—	—	226,400	—	—
Departmental and Judicial Deposits.	14,959,691	—	—	13,699,000	—	—	13,539,100	—	—
Advances	6,913,417	3,768	—	9,910,000	9,100	—	6,934,100	49,800	—
Suspense Accounts	148,280	—	—	12,000	—	—	27,500	—	—
Exchange on Remittance Accounts (net).	1,262,389	—	—	—	—	—	564,600	—	—
Miscellaneous	63,564	9,812	—	338,800	—	—	33,400	—	—
Total	24,484,137	13,580	24,497,717	25,198,700	9,100	25,207,800	21,946,600	49,800	21,995,300
Net	—	—	1,305,177	—	—	76,400	—	—	0
Carried forward	108,273,914	10,373,223	—	113,026,100	267,300	—	109,880,500	231,000	—

and EXPENDITURE of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND.

	ACCOUNTS, 1886-87.			REVISED ESTIMATE, 1887-88.			BUDGET ESTIMATE, 1888-89.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	Total.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
EXPENDITURE, IMPERIAL and PROVINCIAL (from Statement B.)	57,294,007	14,409,949	71,703,956	58,942,000	15,474,400	74,416,400	59,594,000	15,209,900	74,803,900
Exchange, charged as Expenditure	5,419,086	- -	5,419,086	6,499,200	- -	6,499,200	6,388,200	- -	6,388,200
Add,—Provincial Surpluses, transferred to "Deposits."	316,482	- -	316,482	293,700	- -	293,700	9,800	- -	9,800
Deduct,—Provincial Deficits, charged against "Deposits."	—280,817	- -	—280,817	—266,000	- -	—266,000	—493,400	- -	—493,400
Total - - -	62,748,758	14,409,949	77,158,707	65,468,900	15,474,400	80,943,300	65,498,600	15,209,900	80,708,500
EXPENDITURE NOT CHARGED TO REVENUE.									
Capital Outlay on Railways and Irrigation Works.	3,849,836	1,323,083	- -	1,348,100	1,147,000	- -	2,662,800	973,000	—
Capital Charge involved in Redemption of Liabilities.	- -	4,914,546	—	—	—	—	—	—	—
Add,—Exchange on Expenditure not charged to Revenue.	497,565	- -	- -	481,700	- -	- -	408,700	—	—
Total - - -	4,347,401	6,237,629	10,585,030	1,829,800	1,147,000	2,976,800	3,071,500	973,000	4,044,500
PERMANENT DEBT DISCHARGED:									
Sterling Debt:									
East India Bonds - - -	—	—	—	—	—	—	—	—	—
India 5 per Cent. Stock -	- -	320	—	—	—	—	—	—	—
India 4 per Cent. Debentures	—	—	—	—	—	—	—	—	—
India 4 per Cent. Stock -	—	—	—	—	—	—	—	—	—
East Indian Railway Debentures.	- -	1,000	—	—	—	—	—	—	—
East Indian Railway Debenture Stock.	—	—	—	—	—	—	—	—	—
Eastern Bengal Railway Debentures.	- -	409,700	—	—	—	—	—	—	—
Eastern Bengal Railway Debenture Stock.	—	—	—	—	—	—	—	—	—
Rupee Debt:									
4½ per Cent. Loans - - -	—	—	—	—	—	—	—	—	—
4 per Cent. Loans - - -	2,313	- -	- -	63,700	—	—	—	—	—
Loans under discharge - -	1,147,112	- -	- -	1,600	- -	- -	1,000	—	—
Provincial Debentures - -	36,535	- -	- -	2,600	- -	- -	2,000	—	—
Stock Notes - - - -	6,334	—	—	—	—	—	—	—	—
Miscellaneous - - - -	—	—	—	—	—	—	—	—	—
Total - - -	1,192,294	411,020	1,603,314	67,900	- -	67,900	3,000	- -	3,000
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
UNFUNDED DEBT:									
Temporary Loans - - -	—	—	—	—	—	—	—	—	—
Special Loans - - - -	220	- -	- -	200	- -	- -	200	—	—
Treasury Notes - - -	2,300	- -	- -	81,300	- -	- -	76,300	—	—
Deposits of Service Funds -	69,909	- -	- -						
Savings Bank Deposits - -	4,633,160	- -	- -	3,589,800	- -	- -	4,181,900	—	—
Total - - -	4,705,589	- -	4,705,589	3,671,300	- -	3,671,300	4,258,400	- -	4,258,400
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
DEPOSITS AND ADVANCES:									
Balances of Provincial Allotments	280,817	- -	- -	266,000	- -	- -	493,400	—	—
Excluded Local Funds - -	717,372	- -	- -	620,300	- -	- -	612,700	—	—
Political and Railway Funds -	49,351	- -	- -	318,600	- -	- -	264,000	—	—
Departmental and Judicial Deposits.	14,915,051	- -	- -	13,733,700	- -	- -	13,516,700	—	—
Advances - - - - -	7,028,718	6,280	- -	9,987,400	8,000	- -	7,042,100	45,300	—
Suspense Accounts - - -	132,473	- -	- -	42,700	- -	- -	28,400	—	—
Exchange on Remittance Accounts (net).	- -	- -	- -	121,900	—	—	—	—	—
Miscellaneous - - - - -	62,478	- -	- -	30,800	2,000	- -	334,100	—	—
Total - - -	23,186,260	6,280	23,192,540	25,121,400	10,000	25,131,400	22,291,400	45,300	22,336,700
Net - - -	- -	- -	0	- -	- -	0	- -	- -	340,900
Carried forward - - -	96,120,302	21,064,878	- -	96,159,300	16,631,400	- -	95,122,900	16,228,200	—

C.—STATEMENT of Receipts and Disbursements other than Revenue and

	ACCOUNTS, 1886-87.			REVISED ESTIMATE, 1887-88.			BUDGET ESTIMATE, 1888-89.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward - - -	108,273,914	10,373,223	- -	113,026,100	267,300	- -	109,880,500	231,000	—
Loans to Municipalities, Native States, &c.	1,136,086	- -	1,136,086	267,300	- -	267,300	183,200	- -	183,200
Net - - -	- -	- -	82,826	- -	- -	0	- -	- -	0
Capital Receipts from Railway Companies:									
On account of Subscribed Capital.	700	4,135,372	- -	- -	5,563,000	- -	- -	5,667,800	—
Repayments - - -	1,828,137	4,439	- -	1,389,700	29,700	- -	1,383,400	—	—
Total - - -	1,828,837	4,139,811	5,968,648	1,389,700	5,592,700	6,982,400	1,383,400	5,667,800	7,051,200
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
Remittances:									
Inland Money Orders - -	10,538,009	- -	- -	11,646,300	- -	- -	12,794,100	—	—
Other Local Remittances (net)	11,175	- -	- -	1,600	- -	- -	—	—	—
Other Departmental Accounts	143,178	- -	- -	686,800	- -	- -	221,100	—	—
Net Receipts by Civil Treasuries from—									
Post Office - - - -	2,122,428	- -	- -	934,300	- -	- -	946,300	—	—
Guaranteed Railways - -	3,722,951	- -	- -	3,400,200	- -	- -	3,247,400	—	—
Net Receipts from Civil Treasuries by—									
Telegraph - - - -	62,548	- -	- -	56,200	- -	- -	39,900	—	—
Marine - - - -	382,986	- -	- -	273,500	- -	- -	288,500	—	—
Military - - - -	13,012,338	- -	- -	13,702,900	- -	- -	13,373,600	—	—
Public Works - - -	5,289,540	- -	- -	4,715,800	- -	- -	5,290,900	—	—
Remittance Account between England and India.	2,211,640	234,859	- -	1,097,500	182,500	- -	1,128,900	120,500	—
Total - - -	37,497,603	234,859	37,732,552	36,515,100	182,500	36,697,600	37,330,700	120,500	37,451,200
Net - - -	- -	- -	236,551	- -	- -	948,600	- -	- -	0
Secretary of State's Bills Drawn.	- -	12,136,279	12,136,279	- -	15,250,000	15,250,000	- -	14,000,000	14,000,000
Total Receipts - -	148,736,530	26,884,172	- -	151,198,200	21,292,500	- -	148,777,800	20,019,300	—
Opening Balance - -	12,754,478	4,726,585	- -	13,195,785	5,280,829	- -	13,733,085	5,614,329	—
GRAND TOTAL - -	161,491,008	31,610,757	- -	164,393,985	26,573,329	- -	162,510,885	25,633,629	—

Fort William, Department of Finance and Commerce,
26 March 1888.

E. W. Kellner,
Deputy Comptroller General.

D.—ACCOUNT of Provincial and Local Savings charged to Revenue, and held

Provincial and

Note.—These Balances do not include the Balances

	India.	Central Provinces.	Burmah.	Assam.
Accounts, 1886-87.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Balance at end of 1885-86 (*a*) - -	11,470	381,267	18,863	101,874
Added in 1886-87 - - - -	384	- - -	95,728	- - -
Spent in 1886-87 - - - - -	- - -	119,537	- - -	29,745
Balance at end of 1886-87 - -	11,854	261,730	114,591	72,129
Revised Estimate, 1887-88.				
Balance at end of 1886-87 (by Accounts)	11,854	261,730	114,591	72,129
Added in 1887-88 - - - -	3,000	- - -	41,200	- - -
Spent in 1887-88 - - - -	- - -	17,600	- - -	19,000
Balance at end of 1887-88 - -	14,854	244,130	155,791	53,129
Budget Estimate, 1888-89.				
Balance at end of 1887-88 (by Revised Estimate).	14,854	244,130	155,791	53,129
Added in 1888-89 - - - -	3,100	- - -	(*b*) 1,000	4,800
Spent in 1888-89 - - - -	- - -	89,300	(*c*) 900	- - -
Balance at end of 1888-89 - -	17,954	154,830	155,791	57,929

(*a*) *See* Appropriation Report, Abstract D. (*b*) Upper Burma. (*c*) Lower Burma.

Fort William, Department of Finance and Commerce,
26 March 1888.

E. W. Kellner,
Deputy Comptroller General.

EXPENDITURE of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND—*continued.*

	ACCOUNTS, 1886-87.			REVISED ESTIMATE, 1887-88.			BUDGET ESTIMATE, 1888-89.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward - - -	96,180,302	21,064,878	- -	96,159,300	16,631,400	- -	95,122,900	16,228,200	—
Loans to Municipalities, Native States, &c.	1,053,260	- -	1,053,260	689,800	- -	689,800	670,000	- -	670,000
Net - - -	- -	- -	0	- -	- -	422,500	- -	- -	486,800
Payments to Railway Companies on Capital Account:									
For discharge of Debentures	- -	1,417,800	- -	- -	426,000	- -	- -	3,014,000	—
For Expenditure - -	3,641,145	1,594,076	- -	4,554,700	2,718,600	- -	4,279,300	2,901,300	—
Total - - -	3,641,145	3,011,876	6,653,021	4,554,700	3,144,600	7,699,300	4,279,300	5,915,300	10,194,600
Net - - -	- -	- -	684,373	- -	- -	716,900	- -	- -	3,143,400
Remittances:									
Inland Money Orders - -	10,519,085	- -	- -	11,646,300	- -	- -	12,794,100	—	—
Other Departmental Accounts	155,388	- -	- -	291,600	- -	- -	219,900	—	—
Net Payments into Civil Treasuries by—									
Post Office - - -	2,137,247	- -	- -	934,300	- -	- -	946,300	—	—
Guaranteed Railways -	3,722,951	- -	- -	3,400,200	- -	- -	3,247,400	—	—
Net Issues from Civil Treasuries to—									
Telegraph - - - -	62,234	- -	- -	56,200	- -	- -	39,900	—	—
Marine - - - -	378,399	- -	- -	273,500	- -	- -	288,500	—	—
Military - - - -	12,916,977	- -	- -	13,702,900	- -	- -	13,373,600	—	—
Public Works - - -	5,176,278	- -	- -	4,145,800	- -	- -	5,290,900	—	—
Remittance Account between England and India.	174,268	2,253,174	- -	115,200	1,183,000	- -	168,200	1,211,700	—
Total - - -	35,242,827	2,253,174	37,496,001	34,566,000	1,183,000	35,749,000	36,308,800	1,211,700	37,520,500
Net - - -	- -	- -	0	- -	- -	0	- -	- -	69,300
SECRETARY OF STATE'S BILLS PAID.	12,177,689	- -	12,177,689	14,691,100	- -	14,691,100	14,548,500	- -	14,548,500
TOTAL DISBURSEMENTS -	148,295,223	26,329,928	- -	150,660,900	20,959,000	- -	150,929,500	23,355,200	—
Closing Balance - -	13,195,785	5,280,829	- -	13,733,085	5,614,329	- -	11,581,385	2,278,429	—
GRAND TOTAL - - -	161,491,008	31,610,757	- -	164,393,985	26,573,329	- -	162,510,885	25,633,629	—

E. Gay,
Comptroller General.

E. J. Sinkinson,
Officiating Secretary to the Government of India.

at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL CONTRACTS.

LOCAL BALANCES.

of Deposits and Advances upon Local Fund Accounts.

Bengal.	North Western Provinces and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
365,052	460,108	332,696	824,869	886,893	3,383,092
52,488	- - -	23,820	144,062	- - -	316,482
- - -	10,120	- - -	- - -	121,415	280,817
417,540	449,988	356,516	968,931	765,478	3,418,757
417,540	449,988	356,516	968,931	765,478	3,418,757
165,700	- - -	- - -	83,800	- - -	293,700
- - -	128,600	12,600	- - -	88,200	266,000
583,240	321,388	343,916	1,052,731	677,278	3,446,457
583,240	321,388	343,916	1,052,731	677,278	3,446,457
- - -	- - -	- - -	- - -	- - -	9,800
73,000	90,800	61,300	41,500	136,600	498,400
510,240	230,588	282,616	1,011,231	540,678	2,962,857

E. Gay,
Comptroller General.

E. J. Sinkinson,
Officiating Secretary to the Government of India.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—ENGLAND and INDIA.

NET REVENUE.

	ACCOUNTS, 1886-87.				
	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Land Revenue	23,055,724	35,209	23,020,515	3,464,252	19,556,263
Opium	8,942,976	68	8,942,908	2,729,063	6,213,845
Salt	6,657,644	30,361	6,627,283	486,172	6,141,111
Stamps	3,751,280	45,494	3,705,786	146,814	3,558,972
Excise	4,375,174	38,744	4,336,430	116,730	4,219,700
Provincial Rates	2,999,861	6,850	2,993,011	51,105	2,941,906
Customs	1,246,293	28,118	1,218,175	135,818	1,082,357
Assessed Taxes	1,354,735	27,067	1,327,668	50,158	1,277,510
Forest	1,103,970	1,499	1,102,471	719,765	382,706
Registration	299,059	1,122	297,937	184,845	113,092
Tributes from Native States	695,415	- -	695,415	- -	695,415
	54,482,131	214,532	54,267,599	8,084,722	46,182,877
Deduct,—Assignments and Compensations	- -	- -	- -	- -	1,446,937
TOTAL NET REVENUE	- -	- -	- -	- -	44,735,940

NET EXPENDITURE.

	ACCOUNTS, 1886-87.		
	Gross Expenditure.	Receipts.	Net Expenditure.
	Rx.	*Rx.*	*Rx.*
Interest	4,310,403	670,548	3,639,855
Post Office, Telegraph, and Mint	2,145,262	2,027,482	117,780
Civil Departments	12,698,516	1,461,658	11,236,858
Miscellaneous Civil Charges	4,701,057	848,274	3,852,783
Famine Relief and Insurance	309,020	- -	309,020
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	183,077	- -	183,077
Railways Revenue Account	15,666,427	14,477,759	1,188,668
Irrigation	2,310,654	1,656,705	653,949
Buildings and Roads	5,201,767	727,574	4,474,193
Army Services	19,525,042	985,003	18,540,039
Special Defence Works	325,626	- -	325,626
	67,376,851	22,855,003	44,521,848
Provincial and Local Surpluses and Deficits	+ 316,482	— 280,817	+ 35,665
TOTAL NET EXPENDITURE	- -	- -	44,557,513
Surplus (+) or Deficit (—)	- -	- -	+ 178,427
			44,735,940

Fort William, Department of Finance and Commerce,
26 March 1888.

E. W. Kellner,
Deputy Comptroller General.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—ENGLAND and INDIA.

NET REVENUE.

REVISED ESTIMATE, 1887-88.					BUDGET ESTIMATE, 1888-89.				
Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
22,982,000	43,100	22,939,800	3,519,100	19,420,700	23,090,500	37,000	23,053,500	3,684,100	19,369,400
8,544,200	500	8,543,700	2,512,100	6,031,600	8,453,900	200	8,453,700	2,554,700	5,899,000
6,723,100	32,100	6,691,000	429,400	6,261,600	8,122,500	29,000	8,093,500	450,900	7,642,600
3,848,100	44,600	3,803,500	163,800	3,639,700	3,854,400	43,500	3,810,900	175,000	3,635,900
4,503,100	32,000	4,471,100	122,500	4,348,600	4,609,500	29,400	4,580,100	127,700	4,452,400
2,998,700	6,000	2,992,700	64,000	2,928,700	3,013,300	5,200	3,008,100	57,600	2,950,500
1,346,600	27,700	1,318,900	137,000	1,181,900	1,369,100	27,800	1,341,300	138,500	1,202,800
1,417,100	22,300	1,394,800	30,600	1,364,200	1,451,800	20,500	1,431,300	27,300	1,404,000
1,141,700	2,400	1,139,300	763,300	376,000	1,171,600	1,400	1,170,200	770,600	399,600
310,200	1,000	309,200	188,900	120,300	307,900	1,100	306,800	187,500	119,300
740,000	- -	740,000	- -	740,000	767,900	- -	767,900	- -	767,900
54,555,700	211,700	54,344,000	7,930,700	46,413,300	56,212,400	195,100	56,017,300	8,173,900	47,843,400
- -	- -	- -	- -	1,469,100	- -	- -	- -	- -	1,494,000
- -	- -	- -	- -	44,944,200	-	- -	- -	- -	46,349,400

NET EXPENDITURE.

REVISED ESTIMATE, 1887-88.			BUDGET ESTIMATE, 1888-89.		
Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
5,518,700	749,200	4,769,500	4,508,400	656,300	3,852,100
2,256,200	2,186,600	69,600	2,182,200	2,131,300	50,900
12,897,300	1,419,500	11,477,800	13,098,300	1,424,000	11,674,300
4,777,200	1,349,900	3,427,300	4,857,900	1,166,200	3,691,700
93,300	- - -	93,300	73,200	- - -	73,200
81,700	- - -	81,700	43,800	- - -	43,800
16,567,100	14,412,800	2,154,300	17,299,600	15,184,700	2,114,900
2,484,400	1,706,800	777,600	2,582,300	1,758,700	823,600
5,599,600	566,200	5,033,400	5,592,900	555,100	5,037,800
20,459,700	979,900	19,479,800	19,969,000	921,800	19,047,200
568,900	- - -	568,900	1,121,500	- - -	1,121,500
71,304,100	23,370,900	47,933,200	71,329,100	23,798,100	47,531,000
+ 293,700	— 266,000	+ 27,700	+ 9,800	— 493,400	— 483,600
- - -	- - -	47,960,900	- - -	- - -	47,047,400
- - -	- - -	— 3,016,700	- - -	- - -	— 698,000
- - -	- - -	44,944,200	- - -	- - -	46,349,400

E. Gay,
Comptroller General.

E. J. Sinkinson,
Officiating Secretary to the Government of India.

APPENDIX II.

CONTENTS.

		PAGES
TABLE I.	Miscellaneous	106
„ II.	Sea-borne Trade for the Year	108
III.	Sea-borne Trade for the first Eleven Months of the Year	111
„ IV.	Wholesale Prices of Typical Commodities in Gold and Silver in London and Calcutta in December in each Year	112
„ V.	Statement showing the true Financial Results to the Revenues of India of the Guarantee of Interest upon the Capital of Guaranteed Railway Companies, excluding the East Indian Railway Company	113
„ VI.	Actual Capital Expenditure on State Railways in 1886-87, and Estimated Expenditure on such Works in 1887-88 and 1888-89, and to end of 1888-89	114
„ VII.	Capital Expenditure on Irrigation—Major Works, in 1886-87, and Estimated Expenditure on such Works in 1887-88, 1888-89, and to the end of 1888-89, &c.	116
„ VIII.	Gross Receipts, Working Expenses, and Net Traffic Receipts, of Guaranteed and State Railways for Five Years ending 1886-87, with Revised Estimates for 1887-88, and Budget Estimates for 1888-89	117
„ IX.	Gross Earnings, Working Expenses, and Net Earnings of Irrigation—Major Works, for Five Years ending 1886-87, with Revised Estimate for 1887-88, and Budget Estimate for 1888-89	119
„ X.	Abstract of Budget Estimates of Capital Transactions of Guaranteed and Subsidised Railways, 1887-88 and 1888-89	121

APPENDIX II.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1879–80.	1880–81.	1881–82.	
	£.	£.	£.	
Deficit of recorded Revenue compared with whole recorded Expenditure.	4,547,279	7,700,644	728,696	1
Capital Expenditure on Public Works not charged against Revenue.	3,364,330	3,656,505	3,311,423	2
Recorded Revenue compared with the recorded Expenditure, excluding Capital Expenditure on Public Works not charged against Revenue:				
Surplus			2,582,727	3
Deficit	1,182,949	4,044,139		4
Net Public Debt incurred	*5,105,160	5,679,815	—466,636	5
Net Public Debt incurred, including capital transactions with Guaranteed Railway and other Companies.	5,756,708	5,339,444	—773,867	6
Value of commodities exported, excluding Gold and Silver	67,212,000	74,581,000	81,968,000	7
Value of commodities imported, excluding Gold and Silver	41,166,000	53,117,000	49,113,000	8
Excess of Exports over Imports, excluding Gold and Silver	26,046,000	21,464,000	32,855,000	9
Net Imports of Gold	1,750,000	3,655,000	4,844,000	10
Net Imports of Silver	7,870,000	3,893,000	5,379,000	11
TOTAL Net Imports of Gold and Silver	9,620,000	7,548,000	10,223,000	12
Excess of Exports over Imports, including Gold and Silver	16,426,000	13,916,000	22,632,000	13
Grand Total Value of Imports and Exports of all kinds	122,069,000	138,126,000	143,504,000	14
	Rs.	*Rs.*	*Rs.*	
Secretary of State's Bills sold (rupees)	18,95,71,000	18,32,77,000	22,21,09,350	15
	£.	£.	£.	
Sterling equivalent received	†15,748,757	15,239,677	18,412,429	16
Silver coined at the Indian Mints	10,257,093	4,249,676	2,186,275	17
Gold coined in Germany	1,509,877	—	—	18
Silver coined in Germany	—	—	—	19
Maximum price of an oz. Troy standard silver in London	53⅜ (Nov.)	52 13/16 (July)	52½	20
Minimum ditto ditto	49⅜ (April)	51 (Jan.)	50⅝ (July)	21
	Rs. a.	*Rs. a.*	*Rs. a. p.*	
Maximum price of a sovereign in Calcutta	12 11 (May)	12 6 throughout the year.	12 6 4 throughout.	22
Minimum ditto ditto	11 15 (Jan.)			23
Average exchange upon Secretary of State's Bills sold per rupee	1*s.* 7·94*d.*	1*s.* 7·956*d.*	1*s.* 7·895*d.*	24
Fixed rate of exchange for the adjustment of transactions between the Indian and Imperial Treasuries.	1*s.* 7½*d.*	1*s.* 8½*d.*	1*s.* 8*d.*	25
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta.	9 (April)	7 (April)	9 (Feb.)	26
Minimum ditto ditto	3 (Jan.)	3 (Nov. to Jan.)	4 (June)	27
Maximum rate of discount at the Bank of England	3 (April to Oct.)	3 (April)	6 (Feb.)	28
Minimum ditto ditto	2 (Nov. to Feb.)	2½	2½ throughout first half-year.	29
	£.	£.	£.	
Maximum Money Balances of the three Presidency Banks	7,733,500 (Feb.)	7,472,500 (Feb.)	6,097,600 (July)	30
Minimum ditto ditto	4,150,400 (April)	4,442,700 (March)	3,546,700 (Dec.)	31
Maximum price in Calcutta of Government 4 per cent. Rupee Securities.	95¾ (July)	102½ (March)	106-6 (July)	32
Minimum ditto ditto	91⅛ (May)	93·10 (May)	99-8 (Aug.)	33
	£.	£.	£.	
Maximum amount outstanding on London Register of Rupee Securities enfaced for interest drafts.	19,431,239 (March)	19,739,473 (June)	21,525,400 (Feb.)	34
Minimum ditto ditto	15,908,182 (May)	18,719,445 (Jan.)	19,013,600 (April)	35
Maximum price in London of 4 per cent. Securities (in gold)	80⅜ (Oct.)	84¼ (Feb.)	87 (July)	36
Minimum ditto ditto	71½ (May)	78 (May)	82½ (Sept.)	37
Maximum price in London of Secretary of State's 4 per cent. Sterling Bonds.	105⅛	105¾ (Jan.)	106⅝ (July)	38
Minimum ditto ditto	100⅝	101 (Sept.)	103⅜ (Sept.)	39
	£.	£.	£.	
Maximum Government Paper Currency outstanding	14,329,700 (Jan.)	14,513,100 (Dec.)	14,422,600 (Sept.)	40
Minimum ditto ditto	11,113,800 (June)	12,528,400 (April)	12,692,200 (April)	41
Number of Savings Banks	371	388	372	42
Number of Depositors in Savings Banks	91,288	107,778	114,942	43
	£.	£.	£.	
Amount deposited in Savings Banks	2,282,823	3,213,671	3,272,649	44
Average of each deposit	25	29	28	45
Net addition to deposits	370,422	930,848	58,978	46
	Frs.	*Frs.*	*Frs.*	
Cash Reserve at the Bank of France in December of each year, in 000's of francs.	1,979,017	1,786,873	1,817,164	47
Silver ditto ditto	1,220,501	1,222,604	1,161,468	48
Percentage of Silver on the Total Reserve	62	68	64	49

* Exclusive of 9,730,862 *l.*, Debt incurred for the purchase of the East Indian Railway.
† Includes 486,947 *l.*, Gold Remittances from India.

APPENDIX II.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	Revised Estimate, 1887-88.	Budget, 1888-89.
	£.	£.	£.	£.	£.	£.	£.
1	3,943,265	2,604,533	5,542,633	8,077,090	5,687,402	3,[illegible]3,500	4,742,500
2	4,649,898	3,992,029	5,392,898	5,275,364	5,670,484	2,976,800	4,044,500
3	706,633	1,387,496	—	—	—	—	—
4	- - -	- - -	149,735	2,801,726	16,918	3,016,700	698,900
5	2,509,150	3,062,953	1,193,924	3,584,979	9,727,538	5,434,000	2,998,500
6	4,105,769	2,219,364	801,966	7,735,903	9,043,165	4,717,100	— 144,900
7	83,485,000	88,176,000	83,255,000	83,881,000	88,470,000	—	—
8	52,096,000	55,279,000	55,703,000	55,656,000	61,777,000	—	—
9	31,389,000	32,897,000	27,552,000	28,225,000	26,693,000	—	—
10	4,931,000	5,463,000	4,672,000	2,763,000	2,177,000	—	—
11	7,480,000	6,405,000	7,246,000	11,607,000	7,156,000	—	—
12	12,411,000	11,868,000	11,918,000	14,370,000	9,333,000	—	—
13	18,978,000	21,029,000	15,634,000	13,855,000	17,360,000	—	
14	150,076,000	157,344,000	154,817,000	156,123,000	163,021,000	—	
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*		
15	18,58,56,593	21,62,15,462	17,10,22,119	13,53,25,369	16,70,03,150	—	
	£.	£.	£.	£.	£.		
16	15,120,521	17,599,805	13,758,909	10,292,692	12,136,279	—	
17	6,508,457	3,663,400	5,794,200	10,285,566	4,616,537	—	
18	—	—	—	—	—	—	
19	—	—	—	—	—	—	
20	$52\frac{7}{16}$ (June)	$51\frac{1}{8}$ (Feb.)	51 (April)	$50\frac{5}{16}$ (May)	$47\frac{1}{8}$ (Jan.)	$45\frac{1}{8}$ (Dec.)	
21	50 (Dec.)	$50\frac{5}{16}$ (May and June).	$48\frac{7}{8}$ (Feb.)	$46\frac{7}{16}$ (Jan.)	42 (Aug.)	$40\frac{1}{4}$ (April)	
22	—	—	—	—	—	—	
23							
24	1 *s.* 7·525 *d.*	1 *s.* 7·536 *d.*	1 *s.* 7·308 *d.*	1 *s.* 6·2541241 *d.*	1 *s.* 5·440 *d.*	—	
25	1 *s.* 8 *d.*	1 *s.* $7\frac{3}{4}$ *d.*	1 *s.* $7\frac{1}{2}$ *d.*	1 *s.* $7\frac{1}{4}$ *d.*	1 *s.* $6\frac{1}{4}$ *d.*	1 *s.* 4·9 *d.*	1 *s.* 4·9 *d.*
26	10 (April)	9 (Mar.)	11 (April and May)	9 (May)	8 (June, July, Feb. and March)	9 (April and May)	
27	4 (Sept.)	5	3 (Nov. and Dec.)	4 (From July to Jan.)	5 (Nov., Dec., & Jan.)	3 (Oct. to Dec.)	
28	5 (Sept.)	4	5 (Nov., Dec. & Jan.)	4 (Dec.)	5 (Dec. and Jan.)	4 (Sept. to Jan.)	
29	3 (March)	3	2 (June to Sept.)	2 (May to Nov.)	2 (April & May)	2 (April to Aug.)	
	£.	£.	£.	£.	£.	£.	
30	6,712,300 (Oct.)	5,556,700 (Aug.)	5,731,200 (Nov.)	6,486,800 (Dec.)	4,594,600 (June)	3,556,300 (June)	
31	3,424,200 (April)	3,167,100 (Jan.)	2,991,900 (May)	3,638,800 (May)	3,296,500 (Sept.)	2,861,600 (Dec.)	
32	102–4 (Feb.)	101–1 (April)	101–12 (June)	99–14 (July)	98–2 (Sept.)	100 (Oct.)	
33	99 (Oct.)	94–8 (Feb.)	94–12 (March)	91–12 (May)	95 (Feb.)	95–4 (April)	
	£.	£.	£.	£.	£.	£.	
34	21,420,700 (Feb.)	21,405,500 (May)	21,008,000 (May)	20,562,400 (April)	19,710,300 (Oct.)	20,711,200 (Feb.)	
35	21,059,000 (Aug.)	20,626,200 (Aug.)	20,594,300 (Feb.)	19,179,300 (Jan.)	19,056,200 (Mar.)	18,919,500 (Oct.)	
36	$85\frac{7}{16}$ (May)	$81\frac{7}{8}$ (April)	$82\frac{1}{2}$ (May)	$78\frac{1}{2}$ (July)	$73\frac{1}{2}$ (Nov.)	$70\frac{7}{8}$ (Sept.)	
37	$79\frac{1}{2}$ (Dec.)	$77\frac{1}{4}$ (Jan.)	74 (March)	$71\frac{3}{4}$ (Jan.)	$65\frac{1}{8}$ (Aug.)	67 (April)	
38	105 (Jan.)	$103\frac{7}{8}$ (Jan.)	$104\frac{1}{4}$ (Aug.)	$103\frac{3}{4}$ (Feb.)	103 (Aug.)	—	
39	$102\frac{1}{2}$ (Oct.)	$101\frac{1}{2}$ (Sept.)	98 (March)	$97\frac{1}{2}$ (April)	$100\frac{1}{4}$ (March)	—	
	£.	£.	£.	£.	£.	£.	
40	16,412,200 (Dec.)	14,517,800 (Nov.)	15,762,700 (Nov.)	15,713,500 (Oct.)	14,678,200 (Nov.)	18,610,300 (Nov.)	
41	13,584,700 (April)	12,023,300 (Feb.)	12,342,500 (April)	13,017,900 (April)	13,779,400 (April)	13,479,600 (April)	
42	349	354	360	‡ 364	§ 6,230	—	
43	109,349	119,053	120,438	‡ 107,874	§ 289,277	—	
	£.	£.	£.	£.	£.		
44	3,356,247	3,273,242	3,358,203	‡ 2,798,659	§ 5,795,249	—	
45	30	27	28	‡ 26	§ 20	—	
46	83,598	—83,005	80,996	— 559,544	§ + 2,996,590	—	
47	—	—	—	—	—	—	
48	—	—	—	—	—	—	
49	—	—	—	—	—	—	

§ Excludes Post Office Banks and Civil Engineers' Provident Fund.
‖ Includes Post Office Banks, Civil Engineers' Provident Fund, &c.

APPENDIX II.—*continued.*

TABLE II.—SEA-BORNE TRADE for the YEAR. (Principal ARTICLES arranged in Order of their DECLARED VALUE.)

No.	EXPORTS.		1882-83.	1883-84.	1884-85.	1885-86.	1886-87.
1	Cotton—						
	Raw:						
	Quantity	*Cwt.*	6,168,278	5,979,494	5,066,057	4,189,718	5,432,648
	Value	*Rx.*	16,049,017	14,383,728	13,286,367	10,777,204	13,468,429
	Average declared value per lb. — *Annas*		*As.* 3 9	*As.* 3 5	*As.* 3 9	*As.* 3 8	*As.* 3 6
	Average declared value per lb. — *Pence, at average exchange*		4·58	4·17	4·53	4·18	3·81
	Twist and Yarn:						
	Quantity	*Lbs.*	45,378,040	49,876,606	65,897,183	78,241,771	91,804,244
	Value	*Rx.*	1,816,818	1,926,162	2,441,101	2,755,252	3,336,861
	Average declared value per lb.	*Annas*	*As.* 6 5	*As.* 6 2	*As.* 5 11	*As.* 5 8	*As.* 5 10
	Other manufactures:						
	Value	*Rx.*	761,564	927,008	896,929	880,258	945,644
	Average declared value per yard — Grey or unbleached	*Annas*	*As.* 1 10	*As.* 1 9	*As.* 1 9	*As.* 1 9	*As.* 1 10
	Average declared value per yard — Coloured, printed, or dyed	„	*As.* 4 10	*As.* 4 [illegible]	*As.* 4 10	*As.* 3 9	*As.* 4 7
	Percentage of manufactures on whole value exported		13·84	16·55	20·08	25·22	24·13
2	Opium:						
	Quantity	*Chests*	91,798	91,963	86,578	87,956	95,839
	Value	*Rx.*	11,481,376	11,294,460	10,882,606	10,735,518	11,077,669
	Average declared value per chest, in rupees	*Rupees*	1,251	1,228	1,257	1,221	1,156
3	Seeds:						
	Quantity	*Cwt.*	13,139,206	17,355,588	18,250,088	17,280,147	15,866,604
	Value	*Rx.*	7,200,336	10,083,758	10,745,203	9,948,350	9,198,560
	Average declared value of linseed, per cwt. — *Rupees*		5 3 10	5 5 10	5 9 10	5 13 1	5 15 9
	Average declared value of linseed, per cwt. — *Shillings, at average exchange*		8·52	8·73	9·03	8·85	8·70
4	Rice and Paddy:						
	Quantity	*Cwt.*	31,258,288	27,039,859	22,051,532	28,222,595	26,879,272
	Value	*Rx.*	8,476,327	8,362,080	7,192,198	9,247,126	8,836,827
	Average declared value of husked rice, per cwt. — *Rupees*		2 11 6	3 1 8	3 4 6	3 4 9	3 5 –
	Average declared value of husked rice, per cwt. — *Shillings, at average exchange*		4·42	5·05	5·28	5·01	4·81
5	Wheat:						
	Quantity	*Cwt.*	14,144,407	20,956,495	15,830,754	21,060,519	22,263,320
	Value	*Rx.*	6,068,934	8,877,561	6,309,140	8,002,350	8,625,864
	Average declared value per cwt. — *Rupees*		4 4 8	4 3 9	3 15 9	3 12 9	3 14 –
	Average declared value per cwt. — *Shillings, at average exchange*		6·98	6·89	6·41	5·78	5·63
6	Jute:						
	Raw and manufactured—Value	*Rx.*	7,334,757	5,926,780	6,205,238	5,486,171	6,021,672
	Average declared value of raw jute per cwt. — *Rupees*		5 10 5	6 8 8	5 9 1	5 9 6	5 13 10
	Average declared value of raw jute per cwt. — *Shillings, at average exchange*		9·19	10·65	8·96	8·50	8·52
	Percentage of manufactures on whole value exported		20·28	22·51	24·88	20·61	19·13
7	Hides and Skins:						
	Quantity	*No.*	26,534,068	28,153,063	29,164,677	32,376,309	31,860,787
	Value	*Rx.*	4,443,770	4,663,736	4,934,340	5,334,602	5,149,218
	Percentage of dressed or manufactured on whole value		49·97	46·90	42·07	43·91	45·40
8	Tea:						
	Quantity	*Lbs.*	57,766,225	59,911,703	64,162,055	68,784,249	78,702,857
	Value	*Rx.*	3,699,496	4,083,880	4,044,759	4,306,133	4,727,992
	Average declared value per lb. — *Annas*		*As.* 10 3	*As.* 10 11	*As.* 10 1	*As.* 10 –	*As.* 9 7
	Average declared value per lb. — *Shillings, at average exchange*		1·04	1·11	1·01	·95	·87
9	Indigo:						
	Quantity	*Cwt.*	141,041	168,590	154,629	132,495	138,396
	Value	*Rx.*	3,912,997	4,640,991	4,068,900	3,783,160	3,691,677
	Average declared value per cwt. — *Rupees*		277 7 –	275 4 6	263 2 3	285 8 6	266 11 11
	Average declared value per cwt. — *Sterling, at average exchange*	*Rx.*	22·57	22·40	21·17	21·72	19·38
10	Coffee:						
	Quantity	*Cwt.*	353,324	340,025	328,317	371,027	370,458
	Value	*Rx.*	1,392,204	1,438,863	1,245,506	1,348,395	1,502,251
	Average declared value per cwt. — *Rupees*		39 6 5	42 5 1	37 15 –	36 5 6	40 8 10
	Average declared value per cwt. — *Shillings, at average exchange*		64·11	68·87	61·05	55·28	58·94
11	Wool:						
	Raw and manufactured—Value	*Rx.*	948,755	876,541	831,919	953,669	985,484
	Average declared value of raw wool per lb. — *Annas*		*As.* 5 10	*As.* 6 –	*As.* 6 –	*As.* 6 –	*As.* 6 2
	Average declared value of raw wool per lb. — *Pence, at average exchange*		7·12	7·32	7·24	6·85	6·72
12	Silk:						
	Raw and manufactured—Value	*Rx.*	820,719	913,345	792,354	661,835	802,443
	Average declared value of raw silk per lb. — *Rupees*		4 – 1	3 14 8	2 15 4	2 4 11	3 – 11
	Average declared value of raw silk per lb. — *Shillings, at average exchange*		6·52	6·37	4·76	3·51	4·44
13	Lac:						
	Value	*Rx.*	699,016	556,739	599,399	588,286	520,169
14	Sugar:						
	Value	*Rx.*	808,776	943,218	546,069	525,412	504,803
15	Oils:						
	Value	*Rx.*	416,277	495,977	534,041	395,563	458,812
16	Saltpetre:						
	Quantity	*Cwt.*	399,565	491,668	451,917	402,174	397,572
	Value	*Rx.*	388,766	464,410	425,000	370,200	376,091
	Average declared value per cwt. — *Rupees*		9 11 8	9 7 2	9 6 6	9 3 3	9 7 4
	Average declared value per cwt. — *Shillings, at average exchange*		15·83	15·36	15·14	14·00	13·75
17	Teak Wood:						
	Quantity	*Cubic Tons*	59,187	46,471	47,556	50,076	23,946
	Value	*Rx.*	611,260	525,447	532,129	550,515	223,154
	Average declared value per cubic ton — *Rupees*		103 4 5	113 1 1	111 14 4	109 15 –	93 3 1
	Average declared value per cubic ton — *Sterling, at average exchange*	*Rx.*	8·40	9·20	9·00	8·36	6·77

APPENDIX II.—*continued.*

TABLE II.—Sea-borne Trade for the Year, &c.—*continued.*

No.	IMPORTS.	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.
1	Cotton—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	44,859,382	45,879,516	45,801,[illegible]	45,916,126	49,014,194
	Value - - - - - - - - - *Rx.*	3,378,220	3,465,968	3,360,540	3,172,178	3,318,404
	Average declared value per lb. *Annas* - - - - - -	12·05	12·22	11·74	11·05	10·83
	Average declared value per lb. *Pence, at average exchange* - -	1 *s.* 2·70 *d.*	1 *s.* 2·92 *d.*	1 *s.* 2·17 *d.*	1 *s.* 0·60 *d.*	0 *s.* 11·8 *d.*
	Other Manufactures:					
	Value - - - - - - - - - *Rx.*	21,442,372	21,651,392	21,207,106	21,124,848	25,853,827
	TOTAL COTTON GOODS—Gross Imports - *Rx.*	24,820,592	25,117,360	24,567,646	24,297,026	29,172,231
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	*862,913*	*1,344,396*	*958,419*	*1,082,610*	*1,319,248*
	Value - - - - - - - - - *Rx.*	*57,645*	*86,857*	*65,516*	*66,303*	*81,146*
	Other Manufactures:					
	Value - - - - - - - - - *Rx.*	*1,331,582*	*1,399,010*	*1,183,088*	*1,368,715*	*1,490,700*
	Total Re-exports - *Rx.*	*1,389,227*	*1,485,867*	*1,248,604*	*1,435,018*	*1,571,846*
	TOTAL COTTON GOODS—Net Imports - *Rx.*	23,431,365	23,631,493	23,319,042	22,862,008	27,600,385
2	Metals - - - - - - - - - *Value Rx.*	4,831,492	5,380,181	4,978,577	4,986,307	4,845,736
3	Railway plant and rolling stock - - - - „	2,028,349	2,870,942	2,830,082	4,317,565	3,327,832
4	Silk (Raw and Manufactured) - - - - - „	2,051,923	2,170,923	2,020,917	1,830,960	2,177,111
5	Sugar - - - - - - - - - - „	1,086,961	1,148,370	2,140,838	1,458,097	2,080,540
6	Woollen Manufactures - - - - - - „	1,076,388	1,372,403	1,326,669	1,463,023	1,660,905
7	Liquors - - - - - - - - - „	1,473,742	1,554,819	1,360,280	1,387,143	1,474,643
8	Machinery and mill-work - - - - - - „	1,391,660	1,839,816	1,570,824	1,057,833	1,429,[illegible]
9	Oils - - - - - - - - - - „	1,050,897	654,228	1,229,497	961,130	1,408,430
10	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - - - - - - *Tons*	638,304	681,244	713,972	770,517	740,155
	Value - - - - - - - - - - *Rx.*	1,012,208	1,104,788	1,199,739	1,249,710	1,258,793
	Average declared value per ton *Rupees* - - - - - - -	15·86	16·22	16·80	16·22	17·01
	Average declared value per ton *Shillings, at average exchange* - -	25·81	26·40	27·03	24·67	24·72
11	Provisions - - - - - - - - - *Value Rx.*	1,087,186	1,033,932	1,103,321	1,191,881	1,179,474
12	Apparel - - - - - - - - - „	796,633	909,084	890,923	956,097	1,001,848
13	Salt:					
	Quantity - - - - - - - - - *Tons*	338,065	383,090	412,830	363,088	416,592
	Value - - - - - - - - - - *Rx.*	515,184	623,011	649,233	596,048	768,987
	Average declared value per ton *Rupees* - - - - - - -	15·24	16·26	15·73	16·42	18·46
	Average declared value per ton *Shillings, at average exchange* - -	24·80	26·46	25·31	24·97	26·83
14	Spices - - - - - - - - - *Value Rx.*	510,854	557,109	602,165	718,678	663,845

TABLE III.—SEA-BORNE TRADE for the first ELEVEN MONTHS of the Year. (Principal ARTICLES arranged in Order of their DECLARED VALUE.)

	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.
	£.	£.	£.	£.	£.
Value of commodities Exported, excluding gold and silver	79,484,318	74,457,959	74,380,930	79,157,402	81,366,621
Value of commodities Imported, excluding gold and silver	50,723,626	50,852,346	50,404,672	56,029,666	58,542,221
EXCESS EXPORTS - - - *Rx.*	28,760,692	23,605,613	23,976,258	23,127,736	22,824,400
Net Imports of silver - - - - - - -	4,675,347	6,441,677	10,180,734	6,158,858	8,051,227
Net Imports of gold - - - - - - - -	5,039,566	4,596,926	2,369,208	1,730,585	2,948,402
TOTAL NET IMPORTS of Gold and Silver - - *Rx.*	9,714,913	11,038,603	12,549,942	7,889,443	10,999,629
GRAND TOTAL IMPORTS AND EXPORTS OF ALL KINDS - - - - - *Rx.*	141,899,000	140,001,659	139,521,800	146,442,972	153,807,697

APPENDIX II.—*continued.*

TABLE III.—Sea-borne Trade for the first Eleven Months of the Year, &c.—*continued.*

No.	EXPORTS.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1883-84.	1884-85.	1885-86.	1886-87.	1887-88.
1	Cotton, Raw:					
	Quantity - - - - - *Cwt.*	5,259,746	4,503,678	3,387,909	4,536,417	4,657,300
	Value - - - - - *Rx.*	12,570,048	11,812,642	8,786,171	11,226,193	12,330,655
	Average value per lb. - - - *Rs.*	- 3 5	- 3 9	- 3 8	- 3 6	- 3 9
	Cotton Manufactures—					
	Twist and Yarn:					
	Quantity - - - - *Lbs.*	45,091,679	61,006,927	69,489,658	82,676,694	103,311,654
	Value - - - - - *Rx.*	1,789,922	2,260,719	2,445,421	3,018,559	3,717,997
	Average value per lb. - - - *Rs.*	- 6 2	- 5 11	- 5 8	- 5 10	- 5 9
	Other Manufactures—Value - - *Rx.*	838,673	791,859	805,155	865,600	1,043,891
	TOTAL COTTON (Raw and Manufactured) - - - *Rx.*	15,148,643	14,865,220	12,036,747	15,110,352	17,092,543
2	Opium:					
	Quantity - - - - *Chests*	83,798	79,247	80,382	88,070	82,683
	Value - - - - - *Rx.*	10,270,513	9,977,646	9,822,278	10,191,881	9,236,340
	Average value per chest - - *Rs.*	1,225 10 -	1,259 - 11	1,221 15 2	1,157 4 -	1,117 1 3
3	Seeds:					
	Quantity - - - - - *Cwt.*	15,878,495	16,239,624	15,760,875	14,849,048	15,086,850
	Value - - - - - *Rx.*	9,188,373	9,543,640	9,029,893	8,590,881	8,795,577
	Average value per cwt. - - *Rs.*	5 12 7	5 14 -	5 11 8	5 12 7	5 13 3
4	Rice and Paddy:					
	Quantity - - - - *Cwt.*	21,793,368	16,630,191	21,408,823	20,587,925	22,411,009
	Value - - - - - *Rx.*	6,713,779	5,637,598	7,133,649	6,968,866	7,409,029
	Average value per cwt. - - *Rs.*	3 1 3	3 6 3	3 5 4	3 6 2	3 4 11
5	Jute (Raw and Manufactured) *Value Rx.*	5,481,951	5,889,800	5,016,489	5,430,353	7,255,494
6	Wheat:					
	Quantity - - - - - *Cwt.*	20,190,474	14,263,914	20,216,118	21,659,241	13,031,438
	Value - - - - - *Rx.*	8,530,489	5,721,098	7,685,963	8,373,563	5,348,319
	Average value per cwt. - - *Rs.*	4 3 7	4 - 2	3 12 10	3 13 10	4 1 8
7	Tea:					
	Quantity - - - - - *Lbs.*	58,624,439	62,413,413	67,827,916	77,543,424	86,830,946
	Value - - - - - *Rx.*	4,005,938	3,934,628	4,245,219	4,665,307	5,137,597
	Average value per lb. - - - *Rs.*	- 10 11	- 10 1	- 10 -	- 9 8	- 9 6
8	Hides and Skins:					
	Quantity - - - - - *Cwt.*	811,783	870,298	963,103	875,558	770,304
	Value - - - - - *Rx.*	4,149,595	4,279,517	4,659,631	4,561,806	4,291,842
	Average value per cwt. - - *Rs.*	51 1 10	49 2 9	48 6 1	52 1 8	55 11 6
9	Indigo:					
	Quantity - - - - *Cwt.*	159,143	144,722	126,044	128,902	129,401
	Value - - - - - *Rx.*	4,425,507	3,835,117	3,629,759	3,472,657	3,645,235
	Average value per cwt. - - *Rs.*	278 1 4	265 - -	287 15 7	269 6 5	281 11 3
10	Coffee:					
	Quantity - - - - - *Cwt.*	251,770	257,116	273,609	294,071	210,227
	Value - - - - - *Rx.*	1,058,649	951,191	975,846	1,125,480	1,184,277
	Average value per cwt. - - *Rs.*	42 - 9	36 15 11	35 10 8	38 4 4	56 5 4
11	Wool (Raw and Manufactured) *Value Rx.*	817,347	758,953	853,955	917,475	992,611
12	Silk (Raw and Manufactured) „	849,468	715,962	602,723	702,303	763,784
13	Lac - - - - - - *Rx.*	500,481	534,028	529,711	458,583	458,526
14	Sugar - - - - - - *Rx.*	901,727	538,358	463,269	470,272	424,377
15	Oils - - - - - - *Rx.*	414,807	446,279	352,454	406,925	416,674
16	Saltpetre:					
	Quantity - - - - *Cwt.*	445,892	392,503	370,623	350,257	349,288
	Value - - - - - *Rx.*	422,959	369,646	340,199	329,148	329,522
	Average value per cwt. - - *Rs.*	9 7 9	9 6 8	9 2 10	9 6 4	9 6 11
17	Teak:					
	Quantity - - - *Cubic Tons*	41,460	43,795	47,480	21,607	36,489
	Value - - - - - *Rx.*	471,799	490,654	524,417	200,158	323,894
	Average value per cubic ton - *Rs.*	113 12 9	112 - 7	110 7 2	92 10 2	88 12 3

APPENDIX II.—*continued.*

TABLE III.—Sea-borne Trade for the first Eleven Months of the Year, &c.—*continued.*

No.	IMPORTS.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1883–84.	1884–85.	1885–86.	1886–87.	1887–88.
1	COTTON—					
	Twist and Yarn:					
	Quantity - - - - *Lbs.*	41,770,268	42,652,756	41,038,974	43,504,229	46,098,925
	Value - - - - - *Rx.*	3,185,202	3,139,078	2,852,513	2,960,518	3,189,488
	Average value per lb. - - *Rs.*	– 12 2	– 11 9	– 11 1	– 10 11	– 11 1
	Ditto - in sterling, at average exchange.	1 *s.* 2¾ *d.*	1 *s.* 2¼ *d.*	1 *s.* 0⅝ *d.*	1 *s.* 0 *d.*	0 *s.* 11¾ *d.*
	Other Manufactures - *Value Rx.*	20,175,001	19,292,548	18,973,701	23,578,344	21,593,457
	TOTAL COTTON GOODS—Gross Imports - - *Rx.*	23,360,203	22,431,626	21,826,214	26,538,862	24,782,945
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - Lbs.	*1,216,716*	*862,546*	*1,008,115*	*1,252,289*	*910,759*
	Value - - - - - Rx.	*76,606*	*58,158*	*61,632*	*76,695*	*58,846*
	Average Value per lb. - - Rs.	*– 10 1*	*– 10 9*	*– 9 9*	*– 9 10*	*– 10 4*
	Other Manufactures - Value Rx.	*1,305,070*	*1,075,055*	*1,267,783*	*1,351,181*	*1,482,548*
	Total Re-exports - - - Rx.	*1,381,676*	*1,133,213*	*1,329,415*	*1,427,876*	*1,541,394*
	TOTAL COTTON GOODS—Net Imports - - *Rx.*	21,978,527	21,298,413	20,496,799	25,110,986	23,241,551
2	Metals - - - - *Value Rx.*	4,843,119	4,546,007	4,502,923	4,262,191	4,952,884
3	Railway Plant and Rolling Stock. „	2,540,881	2,574,066	3,854,058	3,117,919	3,322,911
4	Silk (Raw and Manufactured) - „	2,000,128	1,896,309	1,732,387	2,000,998	2,688,344
5	Sugar - - - - - - „	1,025,982	1,926,411	1,379,888	1,959,382	1,848,830
6	Woollen Manufactures - - „	1,291,861	1,250,370	1,380,889	1,581,179	1,719,106
7	Machinery and Millwork - „	1,660,467	1,441,243	979,235	1,252,302	1,649,872
8	Provisions - - - - - „	961,194	1,016,958	1,104,391	1,081,645	1,388,538
9	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - *Tons*	572,553	588,173	679,475	648,651	708,579
	Value - - - - - *Rx.*	924,534	985,394	1,097,144	1,076,688	1,367,429
	Average Value per Ton - *Rs.*	16 2 4	16 12 1	16 2 4	16 9 7	19 4 9
10	Liquors - - - - *Value Rx.*	1,409,154	1,227,760	1,264,426	1,317,005	1,348,435
11	Oils - - - - - - „	608,551	1,127,285	821,644	1,235,681	1,337,627
12	Apparel - - - - - - „	837,680	823,997	871,117	909,646	1,055,792
13	Spices - - - - - - „	517,381	539,636	659,516	608,298	845,128
14	Salt:					
	Quantity - - - - *Tons*	346,778	385,543	332,291	379,617	410,722
	Value - - - - - *Rx.*	563,596	601,761	542,266	695,295	760,252
	Average Value per Ton - *Rs.*	16 4 –	15 9 9	16 5 1	18 5 1	18 8 2

APPENDIX II.—*continued.*

TABLE IV.—WHOLESALE PRICES of TYPICAL COMMODITIES in GOLD and SILVER in *London* and *Calcutta* in December in each Year.

(Prices of March 1873 = 100.)

	Measured in Gold.								Measured in Silver.*							
In LONDON— (Prices quoted from the London "Economist"):	1880.	1881.	1882.	1883.	1884.	1885.	1886.	1887.	1880.	1881.	1882.	1883.	1884.	1885.	1886.	1887.
Scotch pig-iron (warrants)	43	44	41	36	36	35	37	37	50	51	49	42	43	45	48	49
Coals, Hetton, Wallsend (London).	52	51	54	54	52	51	51	49	60	59	65	63	62	66	67	66
Copper, Chili bars	68	79	73	65	54	45	43	95	78	91	87	76	64	58	56	127
Straits tin	63	76	64	58	52	64	69	115	73	88	76	68	62	81	89	153
Wheat	77	80	74	70	57	55	61	56	89	92	88	82	68	69	80	74
Flour, town-made	81	91	71	67	54	53	56	54	93	105	85	78	65	68	71	73
Beef, inferior	100	97	97	97	98	75	75	75	116	112	116	113	117	95	97	100
Cotton, No. 40, mule twist	75	77	70	69	70	64	60	62	87	89	84	81	83	82	77	84
Wool, Southdown hogs	76	68	59	61	52	51	59	55	87	78	71	71	63	65	76	73
Sugar, foreign Muscovado	80	71	62	64	44	60	42	56	92	82	74	75	52	77	55	75
Coffee	71	64	74	83	66	65	86	102	81	74	88	97	79	83	111	136
Saltpetre	103	105	90	87	81	78	77	77	118	121	108	102	97	100	99	103
Gold	–	–	–	–	–	–	–	–	115	115	119	117	119	127	130	134
Silver	86	87	84	85	84	79	77	75	–	–	–	–	–	–	–	–
In CALCUTTA—(Prices quoted from the "Calcutta Price Current"):																
Grey shirtings (8¼ lbs.)									80	78	75	74	76	80	81	79
Mule twist, white, good, No. 40									83	81	75	75	72	71	62	72
„ „ Turkey red, No. 40 (12 lbs.)									69	69	55	65	58	57	58	58
„ „ Orange, No. 40—60									88	85	80	82	78	73	75	86
Copper, sheathing									80	87	79	77	65	58	65	90
Iron, flat, bolt, bar, and square									56	65	60	62	54	50	53	59
Spelter, hard									95	96	125	79	84	97	109	128
Hides, buffalo, slaughtered									93	88	87	72	71	77	80	69
Indigo, good									105	113	101	116	103	110	72	82
Jute, picked									148	140	96	164	110	118	131	153
Lacdye, fine									49	36	27	–	–	–	–	–
Shell lac, fine orange									122	93	80	98	56	59	56	68
Linseed, fine bold clean									104	93	86	95	95	101	98	94
Rice, Ballam									103	97	109	138	139	176	106	118
Silk, raw, Cossimbazar									80	86	78	66	60	73	89	64
Tea, good Souchong									64	82	59	64	55	64	55	50
Wheat, Doodiah									92	92	84	85	66	72	81	76
Gold									112	112	115	112	119	122	123	131

* The values measured in silver in London have been calculated from the values in gold on the basis of the price of standard silver in London.

APPENDIX II.—*continued.*

TABLE V.—STATEMENT showing the true Financial Results to the REVENUES of *India* of the Guarantee of Interest upon the Capital of GUARANTEED RAILWAY COMPANIES.

	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88. Budget Estimate.	1887-88. Revised Estimate.	1888-89. Budget Estimate.
	Miles.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at end of official year.	4,611	4,636	4,528	* 3,921	3,896	3,910½	3,910	3,910
Gross Traffic Receipts - - *Rx.*	7,813,497	7,836,035	7,606,685	7,809,537	7,280,512	7,110,000	7,154,000	6,985,000
Working Expenses - - *Rx.*	4,231,451	4,147,892	4,128,385	4,084,462	3,633,396	3,595,000	3,620,000	3,580,000
Percentage of Working Expenses on Receipts - - - *Rx.*	54·15	52·86	54·27	52·30	49·91	50·56	50·60	51·25
Net Traffic Receipts - - *Rx.*	3,582,046	3,688,143	3,478,300	3,725,075	3,647,116	3,515,000	3,534,000	3,405,000
Net gain by the remittance to England of Capital Receipts and Disbursements in India at the Contract Rates of Exchange, instead of at the average yearly rates obtained for the Secretary of State's bills - - - *Rx.*	- -	- -	1,036	—	—	—	—	—
TOTAL Revenue - *Rx.*	3,582,046	3,688,143	3,479,336	3,725,075	3,647,116	3,515,000	3,534,000	3,405,000
Gross Guaranteed Interest paid in India - - - - *Rx.*	8,038	12,521	29,650	49,767	10,648	29,400	29,900	8,500
Gross Guaranteed Interest paid in London - - - - - £.	3,309,834	3,284,241	3,217,240	3,180,735	2,696,976	2,700,000	2,695,000	2,722,000
Total Guaranteed Interest (Sterling Payments converted at the average exchange of the year) *Rx.*	4,077,125	4,047,246	4,028,654	4,231,707	3,721,864	3,732,300	3,856,800	3,873,700
Surplus Paid to Railway Companies - - - - - *Rx.*	486,590	569,946	431,495	397,129	534,598	508,000	663,000	470,000
Land and Supervision - - *Rx.*	72,182	67,326	61,457	79,553	66,235	65,000	58,000	57,500
Interest on Revenue Balances *Rx.*	1,647	1,872	1,865	1,419	1,827	2,500	2,400	3,000
Net Loss on Receipts and Disbursements of Capital in India, calculated in the same way as the gain - - - - - *Rx.*	66,305	86,675	- -	48,006	115,343	10,000	75,800	93,200
TOTAL Expenditure - *Rx.*	4,703,849	4,773,065	4,523,471	4,757,814	4,439,867	4,317,800	4,656,000	4,497,400
Net Expenditure from the Public Treasury - - - - - *Rx.*	1,121,803	1,084,922	1,044,135	1,032,739	792,751	802,800	1,122,000	1,092,400

* The Sind Punjab and Delhi Railway, 691 miles, was purchased by the State on 1st January 1886, and the mileage is shown under State Railways.

APPENDIX II.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS in 1886–87, and ESTIMATED EXPENDITURE on such Works in 1887–88 and 1888–89, and to End of 1888–89.

RAILWAYS.	Accounts, 1886–87.	Revised Estimate, 1887–88.	Budget Estimate, 1888–89.	To End of 1888–89.	Sanctioned Outlay.	Balance remaining Unspent.
OPEN LINES.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	161,783	70,000	65,000	14,273,448	14,273,448	—
Rajputana-Malwa	52,337	170,900	—11,000	9,286,267	9,286,267	—
Holkar	—4,548	1,200	3,000	1,299,911	1,299,911	—
Rewari-Ferozepore	5,196	—9,400	6,300	1,271,182	1,271,182	—
Sindia	637	350	- -	921,136	921,136	—
Bhopal	- -	- -	- -	131,057	131,057	—
Wardha Coal	27,323	—13,860	100	711,639	711,639	—
Katni-Umaria	85,349	11,010	—2,900	482,697	482,697	—
Umaria Colliery	33,264	17,631	15,275	91,769	91,769	—
Burma	15,053	18,900	37,600	2,025,255	2,025,255	—
Jorhat	10,252	5,880	2,490	72,037	72,037	—
Cherra-Companygunj	11,567	10,100	3,600	77,880	77,880	—
Eastern Bengal	175,606	243,500	22,300	3,524,746	3,524,746	—
Northern Bengal	1,813	—23,200	42,400	2,298,234	2,298,234	—
Tirhoot	27,040	38,400	14,300	1,606,810	1,606,810	—
Patna-Gya	5,900	3,500	5,000	432,572	432,572	—
Nalhati	—1,084	—30	—300	34,075	34,075	—
Dacca	29,215	—7,350	6,000	659,522	659,522	—
Kaunia-Dhurla	336	—300	500	96,613	96,613	—
Dildarnagar-Ghazipur	—6	- -	- -	70,305	70,305	—
Cawnpore-Achnera	—26,940	—2,700	5,000	1,160,533	1,160,533	—
Bareilly-Pilibhit	1,134	2,000	1,250	153,442	153,442	—
Lucknow-Sitapur-Seramau	160,922	66,000	37,260	408,842	512,690	103,848
North Western	5,377,694	780,500	111,000	23,296,608	23,296,608	—
Sindh-Sagar—Eastern Section	42,609	46,700	- -	217,673	217,673	—
Sind-Pishin—Durwaza-Quetta Section	193,061	32,220	- -	272,674	272,674	—
Bolan (temporary line)	6,439	8,100	- -	266,072	266,072	—
Amritsar-Pathankot	87	- -	- -	560,827	560,827	—
Cuddapah-Nellore	204,389	85,679	7,700	634,190	614,848	*—19,342
Dhond and Manmad	2,078	2,000	4,000	1,100,227	1,100,227	—
TOTAL	6,598,506	1,557,730	375,815	68,338,243	68,422,749	103,848 —19,342
LINES UNDER CONSTRUCTION.						
Tounghoo-Mandalay Extension	225,561	1,053,800	738,200	2,017,561	†2,044,434	26,873
Assam-Behar	243,005	229,750	308,000	1,550,521	1,621,211	70,690
Sind-Sagar—Western Section	1,029,103	237,050	250,500	2,190,878	2,509,867	318,989
Chenab Bridge	- -	10,600	181,000	191,600	500,000	308,400
Sind-Pishin—Sibi-Quetta Section	1,413,809	182,250				
„ Bosten-Gulistan Section	375,888	35,000	301,560	4,905,487	4,905,487	—
„ Killa-Abdulla Branch	38,009	13,800				
Chaman Extension	- -	138,800	536,600	675,400	1,311,197	635,797
Bolan (high-level line)	- -	194,730	64,500	159,230	155,176	—4,054
Sutlej Bridge (Ferozepore)	270,947	77,170	20,000	543,207	561,033	17,826
Sialkote-Jammoo	- -	- -	32,500	32,500	32,500	—
Kandahar Reserve Material	99,078	42,652	—12,400	359,368	†359,368	—
Bellary-Kistna	355,790	405,000	25,000	1,663,333	1,880,000	216,667
Bezwada to Hyderabad Frontier	- -	115,400	52,000	167,400	†183,736	16,336
TOTAL	4,051,190	2,736,002	2,497,460	14,456,485	16,064,009	1,611,578 —4,054
Carried forward	10,649,696	4,293,732	2,873,275	82,794,728	84,486,758	1,715,426 —23,396

* It is estimated that stores to the value of 20,000 *l.* will be in hand at the end of 1888–89.
† Approximate Estimates.

APPENDIX II.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE ON STATE RAILWAYS, &c.—*continued.*

RAILWAYS.	Accounts, 1886-87.	Revised Estimate, 1887-88.	Budget Estimate, 1888-89.	To End of 1888-89	Sanctioned Outlay.	Balance remaining Unspent.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward - - -	10,649,696	4,293,732	2,873,275	82,794,728	84,486,758	1,715,426 —23,396
LINES UNDER SURVEY.						
Bilaspur-Etawah - - - - - -	—146	—10,400	- -	7,542	7,542	—
Dharmaveram Extension - - - -	2,648	1,200	1,900	19,444	19,444	—
Hindupur Extension - - - - -	50	600	1,000	5,102	5,102	—
Pakal-Villupuram - - - - -	5,130	1,600	2,300	18,049	18,049	—
Vizagapatam-Raipur - - - - -	- -	- -	- -	24,504	24,504	—
TOTAL - - -	7,682	—7,000	5,200	74,641	74,641	—
LINES IN ABEYANCE OR TRANSFERRED TO COMPANIES.						
Nagpur-Chhattisgarh - - - - -	67,639	—1,210,300	—	—	—	—
Nagpur-Bengal - - - - - -	6,549	—162,700	—	—	—	—
Ranaghat-Bhagwangola - - - -	810	- -	80	30,255	30,255	—
Southern Mahratta - - - - -	- -	- -	- -	*52,707	52,707	—
TOTAL - - -	74,998	—1,380,000	80	82,962	82,962	—
Stores and Reserve - - - - -	—311,649	—451,052	409,685	435,435	435,435	—
Metre gauge Rolling Stock, Plant, and Machinery, to be taken back from the Bengal-Nagpur Railway - - -	- -	- -	200,000	200,000	200,000	—
GRAND TOTAL - - -	10,420,727	2,455,680	3,488,240	83,587,766	85,279,796	1,715,426 —23,396
Distributed as under :—						
Capital Expenditure on Public Works (not charged against Revenue) :						
State Railways—Construction -	10,037,650	2,374,000	3,444,450	74,730,014	—	—
Famine Relief and Insurance :						
Protective Railways - - - -	200,000	- -	- -	2,933,979	—	—
Construction of Railways (charged against Revenue in addition to that under Famine Insurance) - - -	183,077	81,680	43,790	5,923,773	—	—
TOTAL as above - - -	10,420,727	2,455,680	3,488,240	83,587,766	—	—

* Represents depreciation on works and stores allowed by Government on transfer to the Company.

APPENDIX II.—*continued.*

TABLE VII.—CAPITAL EXPENDITURE on IRRIGATION—MAJOR WORKS, in 1886-87, and ESTIMATED EXPENDITURE on such Works in 1887-88, 1888-89, and to the End of 1888-89, &c.

	Accounts, 1886-87.	Revised Estimate, 1887-88.	Budget Estimate, 1888-89.	TOTAL to End of 1888-89.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be Spent.
IRRIGATION WORKS:						
CAPITAL EXPENDITURE NOT CHARGED AGAINST REVENUE.	£.	£.	£.	£.	£.	£.
Orissa Canals	43,475	57,300	65,000	2,373,074	3,110,213	737,139
Midnapore Canal	489	1,200	- -	827,399	824,900	—
Tidal Canal	- -	- -	- -	179,549	177,270	—
Sone Canals	13,672	17,500	12,000	2,529,307	2,788,870	259,563
Ganges Canal	3,592	13,550	12,005	2,672,432	2,923,442	251,010
Lower Ganges Canal	157,403	134,540	154,495	3,079,495	2,772,451	—
Agra Canal	8,704	7,020	3,800	843,660	871,670	28,010
Eastern Jumna Canal	1,100	2,930	8,000	303,831	344,191	40,360
Western Jumna Canal	25,127	28,220	31,000	1,065,264	1,079,050	13,786
Bari Doab Canal	6,324	2,030	10,400	1,563,183	1,579,860	16,677
Sirhind Canal (State outlay)	97,720	83,860	10,600	2,223,690	2,226,440	2,750
Chenab Canals	36,972	74,350	63,000	310,250	293,559	—
Godavari Delta System	15,139	18,400	18,340	1,083,875	1,108,869	24,994
Kistna Delta System	35,659	47,609	49,600	837,305	1,389,978	552,673
Sangam Anicut System	26,009	12,766	11,500	296,099	289,644	—
Desert Canal	3,441	8,586	2,800	123,349	126,684	3,335
Begari Canal	1,860	630	- -	162,581	162,885	304
Eastern Nara Works	15,592	11,315	17,060	507,060	527,670	20,610
Mutha Canals	5,014	7,565	6,820	605,409	605,323	—
Other projects	59,563	80,580	133,242	3,407,993	—	—
	556,855	609,951	609,662	24,994,805	—	—
Deduct,—Outlay incurred from ordinary funds	9,476	7,151	9,662	5,447,374	—	—
TOTAL £.	547,379	602,800	600,000	19,547,431	—	—
FAMINE RELIEF AND INSURANCE:						
PROTECTIVE IRRIGATION WORKS:						
Betwa Canal	11,969	7,380	2,700	391,808	425,141	33,333
Swat River Canal	9,877	8,500	7,000	340,544	354,581	14,037
Rushikulya project	22,232	23,620	20,000	98,640	260,139	161,499
Nira Canal	32,911	38,817	40,000	434,542	397,736	—
Other projects (including Grants in Aid)	30,990	14,183	3,000	415,047	—	—
	107,979	92,500	72,700	1,680,581	—	—
Deduct,—Outlay incurred from ordinary funds	- -	- -	- -	285,434	—	—
TOTAL £.	107,979	92,500	72,700	1,395,147	—	—
GRAND TOTAL £.	655,358	695,300	672,700	20,942,578	—	—

APPENDIX II.—*continued.*

TABLE VIII.—GROSS RECEIPTS, WORKING EXPENSES, and NET TRAFFIC RECEIPTS of GUARANTEED and STATE RAILWAYS, for Five Years ending 1886-87, with REVISED ESTIMATES for 1887-88, and BUDGET ESTIMATES for 1888-89.

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.
GUARANTEED RAILWAYS.							
Open mileage at beginning of year	*Miles.* 4,616	*Miles.* 4,611	*Miles.* 4,636	*Miles.* 4,528	*Miles.* * 3,921	*Miles.* † 3,896	*Miles.* 3,910
Gross Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Eastern Bengal	642,330	488,951	82,352	—	—	—	—
Madras	682,571	691,041	716,965	760,952	794,264	822,500	830,000
South Indian	376,278	400,362	423,774	450,440	512,196	511,500	515,000
Bombay, Baroda, and Central India	1,075,381	1,211,703	1,221,595	1,318,202	1,343,613	1,310,000	1,300,000
Great Indian Peninsula	3,508,897	3,342,851	3,514,397	3,654,192	3,971,652	3,920,000	3,800,000
Oudh and Rohilkhund	479,388	578,858	517,633	571,517	638,787	690,000	540,000
Sind, Punjab, and Delhi	1,048,652	1,122,269	1,129,996	1,054,234	—	—	—
TOTAL	7,813,497	7,836,035	7,606,685	7,809,537	7,280,512	7,154,000	6,985,000
Working Expenses.							
Eastern Bengal	266,345	262,305	85,153	—	—	—	—
Madras	433,274	404,655	424,121	439,380	504,611	510,000	510,000
South Indian	240,198	252,836	281,515	297,325	346,206	360,000	370,000
Bombay, Baroda, and Central India	553,808	497,648	550,449	543,498	562,972	530,000	550,000
Great Indian Peninsula	1,737,136	1,751,373	1,779,690	1,850,110	1,857,344	1,860,000	1,840,000
Oudh and Rohilkhund	324,210	303,145	307,793	367,053	362,263	360,000	310,000
Sind, Punjab, and Delhi	676,480	675,932	699,664	587,096	—	—	—
TOTAL	4,231,451	4,147,892	4,128,385	4,084,462	3,633,396	3,620,000	3,580,000
Net Traffic Receipts.							
Eastern Bengal	375,985	226,646	—2,828	—	—	—	—
Madras	249,297	286,386	292,844	321,572	289,653	312,500	320,000
South Indian	136,080	147,526	142,259	153,115	165,990	151,500	145,000
Bombay, Baroda, and Central India	521,573	714,057	671,146	774,704	780,641	680,000	750,000
Great Indian Peninsula	1,771,761	1,591,478	1,734,707	1,804,082	2,114,308	2,060,000	1,960,000
Oudh and Rohilkhund	155,178	275,713	209,840	204,464	296,524	330,000	230,000
Sind, Punjab, and Delhi	372,172	446,337	430,332	467,138	—	—	—
TOTAL	3,582,046	3,688,143	3,478,300	3,725,075	3,647,116	3,534,000	3,405,000
STATE RAILWAYS.							
Open mileage at beginning of year	*Miles.* 4,821	*Miles.* 5,153	*Miles.* 5,632	*Miles.* ‡ 6,966	*Miles.* § 7,227	*Miles.* § 8,081	*Miles.* § 9,035
Gross Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	4,601,341	4,999,462	4,310,425	4,703,587	4,707,202	4,630,300	4,700,300
Rajputana-Malwa	1,113,335	1,319,710	1,306,991	1,665,023	1,688,259	1,680,000	1,780,000
Rewari-Ferozepore	—	45,140	92,601				
Sindia	32,030	25,155	36,833	39,408	39,183	45,700	45,500
Bhopal	1,438	2,557	1,281	2,643	3,505	5,000	5,700
Wardha Coal	67,287	76,529	67,822	64,820	74,742	75,000	80,000
Bengal-Nagpur	85,890	129,565	136,239	147,349	131,760	132,500	175,000
Katni-Umaria	—	—	—	—	3,326	8,200	11,000
Umaria Colliery	—	—	1,572	2,224	6,873	11,500	15,000
Burma	158,688	167,717	216,640	233,585	291,663	335,000	340,000
Tounghoo-Mandalay	—	—	—	—	—	—	30,000
Jorhat	—	—	383	3,624	3,911	4,900	5,200
Cherra-Companygunj	—	—	—	—	226	1,200	1,500
Eastern Bengal:							
Eastern Bengal	—	—	453,381	455,588	537,136		
Calcutta and South Eastern	22,007	31,806	9,465	—	—		
Northern Bengal	227,991	213,274	216,628	233,920	262,401	967,500	980,000
Assam-Behar	—	—	—	—	—		
Kaunia-Dhurla	10,627	14,080	15,676	12,981	14,543		
Dacca	—	—	2,559	12,723	27,997		
Tirhoot	70,981	98,167	124,272	128,026	159,921	184,000	190,000
Nalhati	7,406	8,063	7,638	7,880	8,654	9,500	9,000
Patna-Gya	39,834	47,019	51,793	51,750	53,645	52,800	53,000
Bengal Central	—	—	—	54,129	34,575	74,500	70,000
Oudh and Rohilkhund	—	—	—	—	—	—	190,000
Benares Branch	—	—	—	—	—	175	700
Indian Midland	—	—	—	—	2,234	32,000	100,000
Dildarnagar-Ghazipur	4,847	3,480	4,673	4,650	4,738	4,800	4,800
Cawnpore-Achnera	54,333	57,736	92,930	95,819	130,092	—	—
Bareilly-Pilibhit	—	—	899	8,393	10,126	9,800	10,500
Lucknow-Sitapur-Seramau	—	—	—	—	1,656	18,000	25,000
North Western:							
Punjab Northern, including Northern Section	304,758	319,015	336,908	1,808,224	2,373,245	2,160,000	2,400,000
Indus Valley and Sind-Pishin	567,669	691,048	789,493				
Amritsar-Pathankot	—	—	19,958	28,985	‖ 7,320	‖ 7,300	‖ 8,700
Cuddapah-Nellore	—	—	—	—	—	3,600	22,500
Bellary-Kistna	—	—	—	—	—	6,200	—
Dhond and Manmad ¶	15,998	19,165	20,427	22,062	23,376	22,500	23,500
Southern Mahratta	—	77	33,244	102,818	182,317	318,500	410,000
Mysore	—	—	—	—	37,401	51,000	54,000
TOTAL	7,386,460	8,268,765	8,351,931	9,890,211	10,829,027	10,851,475	11,740,900

* The Sind Punjab and Delhi Railway, 691 miles, was purchased by the State on 1st January 1886, and the mileage is shown under State Railways.
† The Bellary Branch of the Madras Railway, 33 miles in length, having been transferred to the Southern Mahratta Railway, the mileage is shown under State Railways.
‡ Includes one-fifth the length of the Bhopal Railway and the whole length of the Sind Punjab and Delhi Railway.
§ Includes one-fifth the length of the Bhopal Railway. ‖ Net Receipts.
¶ The working of this line has been transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.

APPENDIX II.—*continued.*

TABLE VIII.—RECEIPTS AND EXPENSES OF RAILWAYS, &c.—*continued.*

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1882–83.	1883–84.	1884–85.	1885–86.	1886–87.	1887–88.	1888–89.
STATE RAILWAYS—*continued.*							
Working Expenses.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	2,069,398	1,996,842	1,829,235	1,882,269	1,721,762	1,650,000	1,760,000
Rajputana-Malwa	588,661	697,384	708,222	897,238	899,303	900,000	910,000
Rewari-Ferozepore	—	31,326	63 947				
Sindia	23,830	11,361	19,572	19,440	19,472	21,000	21,000
Bhopal	1,976	2,984	1,746	3,731	2,556	4,000	4,300
Wardha Coal	45,442	21,620	47,603	51,594	59,627	65,000	64,500
Bengal-Nagpur	49,134	64,572	80,480	94,705	80,370	82,500	95,000
Katni-Umaria	—	—	—	—	2,538	9,000	10,500
Umaria Colliery	—	—	1,379	9,265	8,149	3,500	13,000
Burma	98,816	102,117	134,468	174,769	173,250	176,000	180,000
Tounghoo Mandalay	—	—	—	—	—	—	30,000
Jorhat	—	—	725	4,229	5,376	6,100	5,000
Cherra-Companygunj	—	—	—	—	2,361	3,600	3,200
Eastern Bengal:							
Eastern Bengal	—	—	188,662	298,637	326,752		
Calcutta and South Eastern	11,623	19,513	8,600	—	—		
Northern Bengal	107,153	123,543	152,031	149,034	141,174	465,000	475,000
Assam-Behar	—	—	—	—	—		
Kaunia-Dhurla	9,039	10,075	11,980	11,019	11,229		
Dacca	—	—	707	18,458	28,699		
Tirhoot	44,052	67,863	96,847	91,558	98,583	105,000	107,500
Nalhati	5,059	5,632	7,213	6,678	6,711	6,500	7,000
Patna-Gya	27,100	23,356	29,825	27,179	27,898	24,300	24,900
Bengal Central	—	—	—	54,713	43,351	64,500	62,500
Oudh and Rohilkhund	—	—	—	—	—	—	80,000
Benares Branch	—	—	—	—	—	100	100
Indian Midland	—	—	—	—	8,199	23,000	77,500
Dildarnagar-Ghazipur	4,169	1,222	2,727	2,436	2,461	2,200	2,200
Cawnpore-Achnera	36,578	36,802	68,492	79,222	80,728	—	—
Bareilly-Pilibhit	—	—	1,385	6,113	7,675	7,800	8,000
Lucknow-Sitapur-Seramau	—	—	—	—	1,207	14,500	18,500
North Western:							
Punjab Northern, including Northern Section	261,124	252,260	235,918	845,651	1,316,886	1,550,000	1,670,000
Indus Valley and Sind-Pishin	370,542	391,727	364,337				
Amritsar-Pathankot	—	—	17,535	24,171	— 2,218	—	—
Cuddapah-Nellore	—	—	—	—	—	8,600	20,000
Bellary-Kistna	—	—	—	—	—	5,700	—
Dhond and Manmad*	—	—	—	—	—	—	—
Southern Mahratta	—	172	33,183	81,302	125,596	220,000	290,000
Mysore	—	—	—	—	20,144	42,800	42,500
Exchange	14,618	29,752	38,795	—	—	—	—
TOTAL	3,768,314	3,890,123	4,145,614	4,833,411	5,219,889	5,460,700	5,982,200
Net Traffic Receipts.							
East Indian	2,531,943	3,002,620	2,481,190	2,821,318	2,985,440	2,980,300	2,940,300
Rajputana-Malwa	524,674	622,326	598,769	767,785	788,956	780,000	870,000
Rewari-Ferozepore	—	13,814	28,654				
Sindia	8,200	13,794	17,261	19,968	19,711	24,700	24,500
Bhopal	— 538	— 427	— 465	— 1,088	949	1,000	1,400
Wardha Coal	21,845	54,909	20,219	13,226	15,115	10,000	15,500
Bengal-Nagpur	36,756	64,993	55,759	52,644	51,390	50,000	80,000
Katni-Umaria	—	—	—	—	738	— 800	500
Umaria Colliery	—	—	193	— 7,041	— 1,276	8,000	2,000
Burma	59,872	65,600	82,172	58,816	118,413	159,000	160,000
Tounghoo-Mandalay	—	—	—	—	—	—	—
Jorhat	—	—	—	—	— 1,465	— 1,200	200
Cherra-Companygunj	—	—	— 342	— 605	— 2,135	— 2,400	— 1,700
Eastern Bengal:							
Eastern Bengal	—	—	265,019	156,951	210,384		
Calcutta and South Eastern	10,384	12,293	865	—	—		
Northern Bengal	120,838	89,731	64,597	84,886	121,227	502,500	505,000
Assam-Behar	—	—	—	—	—		
Kaunia-Dhurla	1,588	4,005	3,696	1,962	3,314		
Dacca	—	—	1,852	— 5,735	— 702		
Tirhoot	26,929	30,304	28,125	36,468	61,338	79,000	82,500
Nalhati	2,347	2,431	425	1,202	1,943	3,000	2,000
Patna-Gya	12,734	23,663	21,968	24,571	25,747	28,500	28,100
Bengal Central	—	—	—	— 584	— 8,776	10,000	7,500
Oudh and Rohilkhund	—	—	—	—	—	—	110,000
Benares Branch	—	—	—	—	—	75	600
Indian Midland	—	—	—	—	1,035	9,000	22,500
Dildarnagar-Ghazipur	678	2,258	1,946	2,214	2,277	2,600	2,600
Cawnpoore-Achnera	17,755	20,934	24,438	16,597	49,364	—	—
Bareilly-Pilibhit	—	—	— 486	2,280	2,451	2,000	2,500
Lucknow-Sitapur-Seramau	—	—	—	—	449	3,500	6,500
North Western:							
Punjab Northern, including Northern Section	43,634	66,755	100,990	962,573	1,056,359	610,000	730,000
Indus Valley and Sind-Pishin	197,127	299,321	425,156				
Amritsar-Pathankot	—	—	2,423	4,814	9,538	7,300	8,700
Cuddapah-Nellore	—	—	—	—	—	— 5,000	2,500
Bellary-Kistna	—	—	—	—	—	500	—
Dhond and Manmad*	15,998	19,165	20,427	22,062	23,376	22,500	23,500
Southern Mahratta	—	— 95	61	21,516	56,721	98,500	120,000
Mysore	—	—	—	—	17,257	8,200	11,500
Exchange	—14,618	—29,752	—38,795	—	—	—	—
TOTAL	3,618,146	4,378,642	4,206,317	5,056,800	5,609,138	5,390,775	5,758,700

* The working of this line has been transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.

APPENDIX II.—*continued.*

TABLE IX.—GROSS EARNINGS, WORKING EXPENSES, and NET EARNINGS of IRRIGATION—MAJOR WORKS, for Five Years ending 1886-87, with REVISED ESTIMATE for 1887-88, and BUDGET ESTIMATE for 1888-89.

	ACTUALS.					Revised Estimate,	Budget Estimate,
	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.
DIRECT RECEIPTS:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Orissa Canals	32,001	23,787	14,358	20,735	17,961	21,600	21,600
Midnapore Canal	26,801	26,457	25,796	26,249	23,419	24,000	24,000
Tidal Canal	4,503	6,359	4,351	5,245	5,440	4,900	4,900
Sone Canals	68,468	60,381	86,247	106,264	91,843	85,300	85,300
Ganges Canal	234,125	242,697	291,662	194,967	220,926	199,700	200,000
Lower Ganges Canal	157,833	151,441	169,434	135,698	105,666	107,100	111,600
Agra Canal	52,793	64,373	79,190	46,689	61,338	50,300	50,000
Eastern Jumna Canal	83,545	76,452	79,374	61,034	69,864	68,900	70,000
Betwa Canal	- -	- -	- -	- -	2,070	2,900	5,000
Western Jumna Canal	115,949	139,240	160,237	82,685	83,898	135,200	114,700
Chenab Canal	- -	- -	- -	- -	- -	100	2,100
Bari Doab Canal	109,429	100,354	105,421	118,887	129,138	123,500	124,300
Sirhind Canal	- -	22	3,249	13,467	35,491	68,700	93,200
Swat River Canal	- -	- -	- -	25	2,672	10,200	30,000
Godavari Delta System	7,675	7,560	9,601	10,738	10,601	10,200	10,600
Kistna Delta System	4,973	3,356	3,300	3,522	3,791	3,545	3,687
Desert Canal	1,566	1,519	2,865	2,158	3,735	4,307	3,837
Begari Canal	3,531	3,117	3,456	3,131	4,544	3,432	3,448
Eastern Nara Works	2,057	2,193	1,804	1,872	1,772	2,372	1,999
Mutha Canals	12,461	15,834	14,069	15,055	18,340	16,170	16,620
Nira Canal	- -	- -	- -	24	274	826	1,355
Other projects	13,272	11,439	20,612	16,388	17,041	31,270	35,836
TOTAL	930,982	936,581	1,075,026	864,773	909,824	974,522	1,014,082
PORTION OF LAND REVENUE DUE TO IRRIGATION:							
Ganges Canal	44,302	44,301	44,301	44,301	44,301	44,301	44,301
Lower Ganges Canal	20,783	20,783	20,783	20,783	20,783	20,783	20,783
Eastern Jumna Canal	22,153	22,154	22,154	22,153	22,153	22,153	22,153
Western Jumna Canal	5,836	6,265	5,832	5,833	5,832	5,500	5,500
Bari Doab Canal	27,997	66,189	27,557	34,250	60,497	36,500	37,000
Godavari Delta System	146,845	153,262	160,678	173,695	178,140	173,850	173,850
Kistna Delta System	81,761	94,929	101,609	110,592	113,667	113,810	115,425
Sangam Anicut System	- -	- -	- -	3,970	5,824	7,125	7,125
Desert Canal	8,645	8,534	10,834	9,389	6,072	6,100	7,920
Begari Canal	14,440	15,163	20,386	23,651	19,377	21,364	26,134
Eastern Nara Works	10,515	14,236	17,880	19,039	22,753	29,416	32,428
Mutha Canals	- -	- -	- -	—345	—476	—	—
Nira Canal	- -	- -	- -	- -	—6	—	—
Other projects	85,804	88,310	33,804	95,296	98,552	97,499	97,717
TOTAL	469,081	534,126	465,818	562,607	597,469	578,401	590,336
TOTAL REVENUE:							
Orissa Canals	32,001	23,787	14,358	20,735	17,961	21,600	21,600
Midnapore Canal	26,801	26,457	25,796	26,249	23,419	24,000	24,000
Tidal Canal	4,503	6,359	4,351	5,245	5,440	4,900	4,900
Sone Canals	68,468	60,381	86,247	106,264	91,843	85,300	85,300
Ganges Canal	278,427	286,998	335,963	239,268	265,227	244,001	244,301
Lower Ganges Canal	178,616	172,224	190,217	156,471	126,449	127,883	132,383
Agra Canal	52,793	64,373	79,190	46,689	61,338	50,300	50,000
Eastern Jumna Canal	105,698	98,606	101,528	83,187	92,017	91,053	92,153
Betwa Canal	- -	- -	- -	- -	2,070	2,900	5,000
Western Jumna Canal	121,785	145,505	166,069	88,468	89,730	140,700	120,200
Chenab Canal	- -	- -	- -	- -	- -	100	2,100
Bari Doab Canal	137,426	166,543	132,978	153,137	189,635	160,000	161,300
Sirhind Canal	- -	22	3,249	13,467	35,491	68,700	93,200
Swat River Canal	- -	- -	- -	25	2,672	10,200	30,000
Godavari Delta System	154,520	160,822	170,279	184,433	188,741	184,050	184,450
Kistna Delta System	86,734	98,285	104,909	114,114	117,458	117,355	119,112
Sangam Anicut System	- -	- -	- -	3,970	5,824	7,125	7,125
Desert Canal	10,211	10,053	13,699	11,547	9,807	10,407	11,757
Begari Canal	17,971	18,280	23,842	26,782	23,921	24,796	29,582
Eastern Nara Works	12,572	16,429	19,684	20,911	24,525	31,788	34,427
Mutha Canals	12,461	15,834	13,752	14,710	17,864	16,170	16,620
Nira Canal	- -	- -	- -	24	268	826	1,355
Other projects	99,076	99,749	54,733	111,684	115,593	128,769	133,553
TOTAL	1,400,063	1,470,707	1,540,844	1,427,380	1,507,293	1,552,923	1,604,418

APPENDIX II.—*continued.*

TABLE IX.—EARNINGS and EXPENSES of WORKS of IRRIGATION, &c.—*continued.*

	ACTUALS.					Revised Estimate, 1887–88.	Budget Estimate, 1888–89.
	1882–83.	1883–84.	1884–85.	1885–86.	1886–87.		
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
WORKING EXPENSES:							
Orissa Canals	34,154	29,313	31,573	34,258	50,193	55,200	42,500
Midnapore Canal	23,808	21,565	22,317	20,985	22,637	25,300	23,000
Tidal Canal	4,057	4,658	3,689	4,862	2,284	5,000	6,500
Sone Canals	52,984	51,447	60,396	55,237	58,146	67,000	68,000
Ganges Canal	82,949	86,198	92,609	86,026	85,535	87,840	88,308
Lower Ganges Canal	63,215	64,751	82,154	81,327	79,186	86,024	84,397
Agra Canal	21,761	23,859	26,565	26,313	28,337	26,090	26,760
Eastern Jumna Canal	19,917	19,564	19,164	18,128	20,562	19,510	20,912
Betwa Canal	- -	- -	-	208	6,995	9,920	11,300
Western Jumna Canal	24,655	44,284	44,177	47,834	48,869	54,100	39,850
Chenab Canal	- -	- -	- -	- -	- -	6,320	6,500
Bari Doab Canal	51,897	52,960	47,289	52,014	55,781	52,650	45,900
Sirhind Canal	- -	1,653	14,022	21,276	23,071	32,580	45,800
Swat River Canal	- -	- -	- -	2,372	5,243	8,530	10,300
Godavari Delta System	31,583	38,243	50,476	56,486	48,594	50,853	45,500
Kistna Delta System	27,217	27,922	27,691	29,413	32,514	31,127	32,000
Sangam Anicut System	- -	- -	- -	468	2,577	4,054	3,150
Desert Canal	1,173	2,040	3,149	2,848	4,075	4,044	2,820
Begari Canal	7,066	5,549	5,835	5,042	5,300	5,853	6,320
Eastern Nara Works	5,602	5,903	6,488	6,467	6,443	5,749	6,900
Mutha Canals	5,795	5,961	6,831	6,120	6,838	5,887	6,600
Nira Canal	- -	- -	- -	1,256	1,822	2,106	3,020
Other projects	24,103	28,967	26,998	34,210	31,771	36,913	44,440
TOTAL	501,936	514,837	571,423	593,150	626,773	682,650	670,777
NET REVENUE:							
Orissa Canals	—2,153	—5,526	—17,215	—13,523	—32,232	—33,600	—20,900
Midnapore Canal	2,993	4,892	3,479	5,264	782	—1,300	1,000
Tidal Canal	446	1,701	662	383	3,156	—100	—1,600
Sone Canals	15,484	8,934	25,851	51,027	33,697	18,300	17,300
Ganges Canal	195,478	200,800	243,354	153,242	179,692	156,161	155,993
Lower Ganges Canal	115,401	107,473	108,063	75,144	47,263	41,859	47,986
Agra Canal	31,032	40,514	52,625	20,376	33,001	24,210	23,240
Eastern Jumna Canal	85,781	79,042	82,364	65,059	71,455	71,543	71,241
Betwa Canal	- -	- -	- -	—208	—4,925	—7,020	—6,300
Western Jumna Canal	77,130	101,221	121,892	40,634	40,861	86,600	80,350
Chenab Canal	- -	- -	- -	- -	- -	—6,220	—4,400
Bari Doab Canal	85,529	113,583	85,689	101,123	133,854	107,350	115,400
Sirhind Canal	- -	—1,631	—10,773	—7,809	12,420	36,120	47,400
Swat River Canal	- -	- -	- -	—2,347	—2,571	1,670	19,700
Godavari Delta System	122,937	122,579	119,803	127,947	140,147	133,197	138,950
Kistna Delta System	59,517	70,363	77,218	84,701	84,944	86,228	87,112
Sangam Anicut System	- -	- -	- -	3,502	3,247	3,071	3,975
Desert Canal	9,038	8,013	10,550	8,699	5,732	6,363	8,937
Begari Canal	10,905	12,731	18,007	21,740	18,621	18,943	23,262
Eastern Nara Works	6,970	10,526	13,196	14,444	18,082	26,039	27,527
Mutha Canals	6,666	9,873	6,921	8,590	11,026	10,283	10,020
Nira Canal	- -	- -	- -	—1,232	—1,554	—1,280	—1,665
Other projects	74,973	70,782	27,735	77,474	83,822	91,856	89,113
TOTAL	898,127	955,870	969,421	834,230	880,520	870,273	933,641

CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDISED RAILWAYS.

TABLE X.—ABSTRACT of BUDGET ESTIMATES of CAPITAL TRANSACTIONS of GUARANTEED and SUBSIDISED RAILWAYS, 1887-88 and 1888-89.

RAILWAYS.	AMOUNT IN RUPEES.			AMOUNT OF EXCHANGE.			AMOUNT IN POUNDS STERLING.		
	1887-88.		Budget, 1888-89.	1887-88.		Budget, 1888-89.	1887-88.		Budget, 1888-89.
	Budget.	Revised.		Budget.	Revised.		Budget.	Revised.	
GUARANTEED RAILWAYS.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	£.	£.	£.
RECEIPTS.									
Madras	20,00,000	22,50,000	22,50,000	1,66,000	1,88,000	1,88,000	183,400	206,200	206,200
South Indian	15,50,000	17,20,000	18,75,000	64,000	72,000	78,000	148,600	164,800	179,700
Bombay, Baroda, and Central India	26,00,000	22,50,000	23,00,000	2,17,000	1,88,000	1,92,000	238,300	206,200	210,800
Great Indian Peninsula	71,00,000	69,00,000	70,00,000	5,92,000	5,75,000	5,83,000	650,800	632,500	641,700
Oude and Rohilkund	17,50,000	18,00,000	14,50,000	- -	- -	-	175,000	180,000	145,000
TOTAL	1,50,00,000	1,49,20,000	1,48,75,000	10,39,000	10,23,000	10,41,000	1,396,100	1,389,700	1,383,400
ADVANCES.									
Madras	19,00,000	23,00,000	16,25,000	1,58,000	1,92,000	1,36,000	174,200	210,800	148,900
South Indian	13,50,000	10,50,000	12,00,000	56,000	44,000	50,000	129,400	100,600	115,000
Bombay, Baroda, and Central India	22,00,000	14,00,000	15,00,000	1,83,000	1,17,000	1,25,000	201,700	128,300	137,500
Great Indian Peninsula	50,00,000	41,00,000	48,00,000	4,17,000	3,42,000	4,00,000	458,300	375,800	440,000
Oude and Rohilkund	33,50,000	24,00,000	14,85,000	- -	- -	- -	335,000	240,000	148,500
TOTAL	1,38,00,000	1,12,50,000	1,06,10,000	8,14,000	6,95,000	7,11,000	1,298,600	1,055,500	989,900
NET RECEIPTS.									
Madras	1,00,000	—50,000	6,25,000	8,000	—4,000	52,000	9,200	—4,600	57,300
South Indian	2,00,000	6,70,000	6,75,000	8,000	28,000	28,000	19,200	64,200	64,700
Bombay, Baroda, and Central India	4,00,000	8,50,000	8,00,000	34,000	71,000	67,000	36,600	77,900	73,300
Great Indian Peninsula	21,00,000	28,00,000	22,00,000	1,75,000	2,33,000	1,83,000	192,500	256,700	201,700
Oude and Rohilkund	—16,00,000	—6,00,000	—35,000	- -	- -	- -	—160,000	—60,000	—3,500
TOTAL	12,00,000	36,70,000	42,65,000	2,25,000	3,28,000	3,30,000	97,500	334,200	393,500
SUBSIDISED RAILWAYS.									
RECEIPTS.									
Capital received in India:									
Southern Mahratta	—	—	—	—	—	—	—	—	—
Indian Midland	—	—	—	—	—	—	—	—	—
Gain on Remittances to India:									
Southern Mahratta	- -	- -	- -	4,94,000	3,42,000	4,25,000	*—49,400	—34,200	—42,500
Indian Midland	- -	- -	- -	7,88,000	13,46,000	8,64,000	—78,800	—134,600	—86,400
Bengal Central	—	—	—	—	—	—	—	—	—
Bengal-Nagpur	- -	- -	- -	30,000	4,89,000	8,05,000	—3,000	—48,900	—80,500
TOTAL	- -	- -	- -	13,12,000	21,77,000	20,94,000	—131,200	—217,700	—209,400
WITHDRAWALS.									
Southern Mahratta	44,80,000	60,50,000	14,88,000	7,47,000	10,08,000	2,48,000	373,300	504,200	124,000
Mysore	21,45,000	13,00,000	38,00,000	5,81,500	3,25,000	9,50,000	156,350	97,500	285,000
Bellary-Kistna	- -	5,50,000	43,00,000	- -	1,57,000	12,29,000	- -	39,300	307,100
Indian Midland	1,10,25,000	1,39,37,000	1,50,00,000	22,05,000	27,87,000	30,00,000	882,000	1,115,000	1,200,000
Bengal Central	- -	1,90,000	1,40,000	- -	54,000	40,000	- -	13,600	10,000
Bengal-Nagpur	47,86,000	1,96,55,000	1,50,00,000	11,96,500	45,36,000	34,61,000	358,950	1,511,900	1,153,900
TOTAL	2,24,36,000	4,16,82,000	3,97,28,000	47,30,000	88,67,000	89,28,000	1,770,600	3,281,500	3,080,000
Net Withdrawals	2,24,36,000	4,16,82,000	3,97,28,000	34,18,000	66,90,000	68,34,000	1,901,800	3,499,200	3,289,400
GUARANTEED AND SUBSIDISED RAILWAYS.									
Net Withdrawals	2,12,36,000	3,80,12,000	3,54,63,000	31,93,000	63,62,000	65,04,000	1,804,300	3,165,000	2,895,900

* Includes Mysore Railway.

RETURN.

EAST INDIA (FINANCIAL STATEMENT, 1889-90).

Ordered, by The House of Commons, *to be Printed,*
16 *April* 1889.

LONDON:
PRINTED BY HENRY HANSARD AND SON;
AND
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123. [*Price* 1*s.* 3*d.*] *Under* 10 *oz.*

EAST INDIA (FINANCIAL STATEMENT).

RETURN to an Address of the Honourable The House of Commons, dated 12 April 1889;—*for*,

"COPY of the INDIAN FINANCIAL STATEMENT for 1889–90, and of the PROCEEDINGS of the LEGISLATIVE COUNCIL of the GOVERNOR GENERAL thereon."

India Office,
16 April 1889.

J. A. GODLEY,
Under Secretary of State for India.

(Sir George Balfour.)

Ordered, by The House of Commons, *to be Printed,*
16 *April* 1889.

LONDON:
PRINTED BY HENRY HANSARD AND SON;
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123.

TABLE OF CONTENTS.

		PARA.	PAGE.
	Financial Statement for 1889-90, 27th March 1889	—	5
I.	Preliminary	1	5
II.	Accounts of 1887-88	2	6
III.	Revised Estimates of 1888-89	9	8
IV.	Estimates of 1889-90	38	17
V.	General Financial Position	65	26
VI.	Falling-off in the Revenue from Salt	78	30
VII.	Excise Policy	84	32
VIII.	Ways and Means—Home Treasury	90	35
	Conversion of 4 per cent. into 3½ per cent. Stock	91	36
	Purchase of the Oudh and Rohilkhand Railway	92	36
	Aided Railway Companies	93	36
IX.	Ways and Means—India, 1888-89	96	38
	Conversion of 4½ per cent. Loan of 1870	98	39
	Stock Notes	100	39
	Indian Savings Banks	101	39
	Capital Expenditure of Government of India	102	40
	Calcutta and Bombay Dock Loans	103	40
	Issues on Capital Account to Railway Companies	104	41
	Management of Government Balances	105	41
X.	Ways and Means—India, 1889-90	112	43
	Proposed Rupee Loan	113	43
	Loans to Municipalities, &c.	114	43
XI.	Summary	119	45

APPENDICES:

APPENDIX I.:

Despatch to Her Majesty's Secretary of State for India, No. 256, dated 30th June 1874 — 47

APPENDIX II.—ACCOUNTS AND ESTIMATES:

General Statement of the Accounts and Estimates of the Revenue and Expenditure and Receipts and Disbursements of the Government of India, in India and in England — 50

A.—Statement of the Revenue of India, in India and in England — 52

B.—Statement of the Expenditure chargeable on the Revenues of India, in India and in England — 54

C.—Statement of Receipts and Disbursements other than Revenue and Expenditure of the Government of India, in India and in England 58

D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Contracts — 60

E.—Statement of Net Revenue and Expenditure—England and India — 62

APPENDIX III.—COMMERCIAL AND FINANCIAL STATISTICS. — 65

Proceedings of the Council of the Governor General respecting the North-Western Provinces and Oudh, Kanungos and Patwari's Bill:

27th March 1889 — 82

29th „ „ — 85

COPY of the INDIAN FINANCIAL STATEMENT for 1889–90, and of the PROCEEDINGS of the LEGISLATIVE COUNCIL of the GOVERNOR GENERAL thereon.

— No. 1. —

FINANCIAL STATEMENT FOR 1889–90.

SECTION I.—PRELIMINARY.

1. THE Financial Statement for 1889-90 deals with the Accounts of 1887-88, which have been finally closed, with the Revised Estimate for the current year, 1888-89, and with the Budget Estimates for the coming year, 1889-90. In this Statement tens of rupees are denoted by the symbol Rx.; tens of rupees represent what used to be called conventional sterling; when pounds sterling are meant, the words "true sterling" are always added; pounds sterling are also denoted by the customary symbol, and not by Rx.

In previous years columns have been inserted in Statements A and B, showing (1) differences between the Revised and Budget Estimates of the current year, and (2) differences between the Revised Estimate of the current and the Budget Estimate of the coming year. In order that the change in the financial position, as estimated a year ago and as estimated now, may be seen at a glance, it has been decided to add a column showing the increases and decreases resulting from a comparison of the Budget Estimate of the current year with the Budget Estimate of next year.

The magnitude of the financial transactions of the Government of India is now very great, the aggregate of revenue and expenditure, as entered in the estimates for 1889-90, being more than Rx. 166,000,000. The revenue and expenditure, as recorded in the Accounts, include the gross receipts and working expenses of Indian State Railways and the net receipts of the old Guaranteed Railways, and it is this inclusion which swells the total revenue and expenditure and causes them to increase so rapidly.

The Accounts and Estimates include three distinct categories of revenue and expenditure—Imperial, Provincial, and Local,—and deal with the transactions of eight local governments and administrations, and of many local funds, as well as with those of the Supreme Government.

The local governments and administrations are Madras, Bombay, Bengal, the North-Western Provinces and Oudh, the Punjab, Burma, the Central Provinces, and Assam; all of which enjoy a considerable measure of financial independence.

The transactions of the Government of India are carried on in India in the silver standard, and in England in the gold standard, and are consequently attended with the inconvenience and uncertainty which result from the frequent and considerable fluctuations in the relative value of the two standards which have been experienced in recent years.

The Accounts of the Government of India also include, as I have already stated, the transactions of a great system of railways, some of which are owned by the Government, being either worked directly by Government, or leased to companies, while others are owned and worked by companies to whom a minimum rate of interest is guaranteed; a few are owned and worked by private companies which receive a greater or less amount of assistance from the Government.

The contracts between Government and the different railway companies are numerous and complex, and vary in their terms in the case of different railways.

For the reasons I have just stated, the preparation of a satisfactory financial statement is a task of difficulty. To fully explain the details of every transaction would weary the attention of the most patient reader or listener, while a mere attempt to sketch briefly the leading features of the situation would exclude much valuable information. In such circumstances nothing is practicable but a compromise, and a compromise, from the very nature of the case, cannot be wholly satisfactory to everybody interested.

SECTION II.—ACCOUNTS OF 1887-88.

2. In the Financial Statement of March 1888 the Revenue of the year 1887-88, which was then about to close, was estimated at Rx. 77,926, 600, and the Expenditure chargeable thereon at Rx. 80,943,300, the deficit being Rx. 3,016,700 ; the cost of the special defence works, which were being constructed for the protection of the North West Frontier and the chief places on the coast, was included in the Expenditure.

A statement was subsequently published in the "Gazette of India" of the 12th May 1888, giving the corrections in that Estimate, rendered necessary by the further information at that time available.

This additional information referred only to the Indian portion of the transactions, and not to the Home Accounts, and indicated a net improvement of Rx. 397,000 as compared with the figures of the Financial Statement, the probable deficit of the year 1887-88 being reduced from Rx. 3,016,700 to Rx. 2,619,700.

3. As the process of compilation of the accounts of the year proceeded, the position was shown to have further improved by Rx. 238,000, making the probable deficit, Rx. 2,381,700. This alteration of the Estimate was telegraphed to the Secretary of State in August 1888, and was adopted in the "latest estimate" laid before Parliament in the Under-Secretary of State's Financial Statement of September 1888. The probable deficit announced to Parliament was, however, Rx. 1,960,800, and not the sum of Rx. 2,381,700 just mentioned. The difference of Rx. 420,900 was due, as explained by Sir John Gorst, to an improvement in the English Account of Rx. 120,900, and to the inclusion as revenue of a special item,* then estimated at Rx. 300,000, representing the gain by exchange on the capital transactions of Subsidized Railways in England, which had been placed under a suspense head in the Revised Estimates, pending the decision of the Secretary of State whether it properly formed an item of current revenue, or not.

4. On closing the Accounts of the year 1887-88, the actual figures proved to be, Revenue, Rx. 78,759,744 ; Expenditure, Rx. 80,788,576 ; and the deficit of 1887-88, is finally shown to be Rx. 2,028,832, being Rx. 68,032 more than the deficit as estimated in September last. The principal differences between the Revised Estimate as given in the last Financial Statement and the actuals of 1887-88 are set out in the following statement, and complete details will be found

---

* "I mentioned just now a sum of 300,000 *l.* which I said the Government had gained by exchange transactions. I might just explain how that arises. The Committee are, no doubt, aware that the Government have contracts with certain railway companies, the Southern Mahratta, the Indian Midland, and the Bengal-Nagpur, by which the Government undertake to transmit to India the capital of these Companies subscribed in London, which is required for expenditure in India, at a certain fixed rate of exchange. In the case of the Southern Mahratta money is transmitted by contract at 12 rupees per 1 *l.* sterling, in the case of the Indian Midland at 12½ rupees per 1 *l.* sterling, and in the case of the Bengal-Nagpur at 13 rupees per 1 *l.* sterling. The Committee will see that when exchange comes down below the rate named in the contract, the Government gain by the transaction. For instance, at the present time, the 1 *l.* sterling is nearly equivalent to 15 rupees in India, whereas the Government would only have to pay the Southern Mahratta Railway 12 rupees. So long as the rupee is lower than the exchange rate of the contract there is a gain, and that gain makes up this sum of Rx. 300,000."

found in the appropriation audit report published in the Gazette of India of 16th March 1889.

	1887–88.		Accounts Better.	Accounts Worse.
	Revised Estimate.	Accounts.		
REVENUE.				
India (Imperial, Provincial, and Local) - - - - - Rx.	77,560,000	78,389,003	829,003	—
England - - - - - £.	258,200	261,047	2,847	—
Exchange - - - - - Rx.	108,400	109,694	1,294	—
TOTAL - - - Rx.	77,926,600	78,759,744	833,144	—
EXPENDITURE.				
India —				
Imperial - - - - Rx.	37,405,500	37,201,016	204,484	—
Provincial and Local - - Rx.	21,536,500	21,361,271	175,229	—
Adjustment of Provincial and Local - - - - Rx.	+27,700	+370,591	—	342,891
England - - - - - £.	15,474,400	15,389,065	85,335	—
Exchange - - - - Rx.	6,499,200	6,466,633	32,567	—
TOTAL - - - Rx.	80,943,300	80,788,576	497,615	342,891
DEFICIT - - - Rx.	3,016,700	2,028,832	987,868	—

5. The Revenue in India (Imperial, Provincial, and Local) proved to be Rx. 829,003 more, and the Expenditure in India (Imperial, Provincial, and Local) Rx. 379,713 less, than the estimate of March 1888. Allowing for the increase in the Provincial adjustment of Rx. 342,891, these figures give a net Imperial improvement of Rx. 865,825, and, if we add the net improvement in the English Accounts, and under Exchange, of Rx. 122,043, we get a total improvement of Rx. 987,868, being the amount by which the actual deficit falls short of the estimated deficit of March last.

6. Of the increase of Revenue in India, Rx. 244,540 resulted from the gain by exchange on capital transactions of Subsidized Railways in England, which was not taken credit for in the Estimates for reasons already stated, and the balance Rx. 584,463 represents the actual improvement in Revenue. It has been explained on former occasions that the financial year terminates in the middle of the season of heavy revenue collections and large railway receipts. A difference of a day in the payment of the instalments of Land Revenue due at the end of March may seriously affect the estimate of revenue for the year. If the Land Revenue is paid on 31st March, it appears as a receipt of the year 1887-88; if it is paid on 1st April, it appears as a receipt of 1888–89. The estimated results are further liable to be falsified by an unexpected distribution of the railway traffic between March and April. The months of March and April are also periods of heavy Public Works expenditure, and it is difficult to say beforehand how much of such expenditure will fall into March and how much into April. In fact, for the purposes of the Revised Estimate, the year could hardly end on a more inconvenient date than the last day of the month of March. If the variations from the Estimate occur under Provincial or Local heads, the estimated surplus or deficit, which depends solely on Imperial revenue and Imperial expenditure, is not affected, but the total revenue and total expenditure recorded in the Accounts may be materially altered.

7. The improvement in the Revenue figures calls for no further remarks. The reduction of the Indian Imperial Expenditure below that of the Revised

Estimate, amounting to Rx. 204,484 in all, was mainly due to a less expenditure of Rx. 115,963 on Special Defence Works, of Rx. 87,162 under Opium, of Rx. 66,559 under Interest on ordinary Debt, of Rx. 49,937 under Military Works, and to an excess of Rx. 116,739 under working expenses of State Railways. The gain in the English Account was mainly due to reduced military expenditure and to the resulting saving in exchange. The saving under Provincial and Local expenditure occurs mainly under Civil Works and Irrigation, and, in a less degree, under charges for collection of Land and Forest Revenue.

8. The above explanations dispose of the Revenue and Expenditure Account of 1887-88, on the results of which depends the surplus or deficit of the year. The Capital Expenditure on Railways and on Irrigation Works constructed from loan funds amounted to Rx. 2,251,776 and Rx. 533,048 respectively, thus falling short of the anticipations of the Revised Estimates by Rx. 191,976, of which Rx. 122,224 was due to short expenditure on Railways and Rx. 69,752 to short expenditure on Irrigation. This result does not of course affect the question of surplus or deficit on the Revenue and Expenditure Account, and, as already stated, the final result of the year 1887-88 was a deficit of Rx. 2,028,832, including as expenditure Rx. 456,017 on account of Special Defence Works. Excluding the cost of these Works, the deficit of 1887-88 was Rx. 1,572,815.

Section III.—Revised Estimates of 1888-89.

9. The Estimates of 1887-88 as originally framed in March 1887 showed a surplus of Rx. 16,700, representing practically a bare equilibrium of Revenue and Expenditure.

As I have just stated, the trifling surplus shown in the Budget Estimate of 1887-88 has proved, on closing the accounts of the year, to have become a deficit of Rx. 2,028,832.

The deterioration in the financial position manifested itself in the course of 1887-88, and led to steps being taken in the course of the year for increasing the revenue. Of the actual deficit, Rx. 1,059,000 were due to the conversion of the India 4 per cent. stock of 48,200,000 *l.* into 3½ per cent. stock, in consequence of the operation throwing on the Accounts of that year a charge of 1 *l.* 7 *s.* 6 *d.* per cent. which would otherwise have been paid in 1888-89. A further deterioration resulted from the decision to charge against Revenue the expenditure on Special Defence Works, which had been treated in the Estimates as a charge against borrowed money, the additional charge imposed on the Revenue Account being Rx. 456,017. Other causes for apprehension were found in the fall in Exchange, the reduction in the net railway revenue, the fall in the price of opium, and increased military expenditure in Burma. The position was deemed to be of a nature so serious that, as I have said, steps were taken towards the close of the year to add to the revenue by the imposition of fresh taxation. The measures adopted for this purpose were the following:—

(1.) The raising of the rate of the duty on salt from R. 2 to R. 2-8 a maund, with effect from the 19th January 1888, except in Burma where the rate was raised from 3 annas to R. 1 a maund;

(2.) The imposition of a duty on the import of petroleum with effect from the same date; and

(3.) The extension of the Income Tax Act to Lower Burma, from 1888-89.

These measures were estimated to produce about Rx. 1,900,000; but, as they were introduced in the end of 1887-88, they had but little effect on the Revenue of that year.

10. The full effect of the measures just referred to would be felt in 1888-89, and the Estimates of that year showed a deficit of only Rx. 698,000, after including in the expenditure of the year a sum of Rx. 1,121,500 for Special Defence Works. If the expenditure on Special Defence Works had been excluded, the estimates would have shown a surplus of Rx. 423,500. The financial position has, I regret to say, been again affected injuriously by various influences during the progress of the year. On the expenditure side we have had

had to allow for a considerable fall in exchange. In the Estimates the rupee was taken at 1-4·9; the rate actually received has been 1-4·38, a fall of more than a halfpenny per rupee, which adds Rx. 684,400 to the expenditure of the year. There has also been unforeseen expenditure, estimated at Rx. 387,500, on Military Expeditions, being Rx. 142,500 on the Black Mountain Expedition, and Rx. 210,000 on account of Sikkim, besides Rx. 35,000 on account of the Lushai Expedition. The Revenue Account has been affected by a reduction in the quantity of salt that has paid duty, and there have been short crops in some parts of India, a condition which exercises an injurious effect on the revenue generally.

In face of these adverse circumstances, it will be a surprise to most people to learn that, including expenditure on special defence works, we now estimate for a deficit of Rx. 201,700, as against the deficit of Rx. 698,000 which was anticipated in the Financial Statement of March last, and, if the cost of special defence works be excluded, for a surplus of Rx. 616,600, as against the previous estimate of Rx. 423,500. Although the improvement is due in some respects to what may be termed accidental and temporary causes, yet, on the other hand, some of the influences which have adversely affected the finances of the year are of a precisely similar character, and the final result is not unsatisfactory.

I shall now explain the various causes which have tended to modify the Budget Estimates of 1888-89.

11. The Revenue of the current financial year 1888-89 was estimated in March last at Rx. 80,010,500; it is now estimated at Rx. 81,585,500, an improvement of Rx. 1,575,000.

The Expenditure proper of 1888-89 was estimated at Rx. 81,192,100, and the Provincial adjustment at *minus* Rx. 483,600, giving a total charge against Revenue of Rx. 80,708,500, the deficit being Rx. 698,000. What is meant by a *minus* Provincial adjustment of Rx. 483,600 is that the total Provincial Expenditure of the year was estimated to exceed the total Provincial Revenue by Rx. 483,600, and this sum was consequently shown as a charge against the accumulated balances of former years, and not against current Provincial Revenue.

The Expenditure properly so called is now estimated at Rx. 81,584,100, and the Provincial adjustment at *plus* Rx. 203,100, giving a total charge against Revenue of Rx. 81,787,200, being an increase over the former estimate of Rx. 1,078,700. The increase of Revenue over the Estimate has exceeded the increase of expenditure chargeable against that revenue by Rx. 496,300, and the estimated deficit has been reduced by that amount, and now stands at Rx. 201,700, instead of Rx. 698,000.

12. The increase of Revenue for which we have to account is Rx. 1,575,000, and it is due mainly to increases under the following heads:—

	Rx.
Receipts under Exchange	536,800
Railways	243,300
Interest	182,500
Forests	154,100
Land Revenue	111,800
Post Office, Telegraph, and Mint	109,100
Opium	107,000
Excise	96,200
Irrigation	80,200
Stamps	77,800
Assessed Taxes	56,800
TOTAL	1,755,600

The total increase under these heads comes to Rx. 1,755,600, and there are increases under other heads amounting in the aggregate to Rx. 283,200, and making the total increase of revenue under certain heads no less than Rx. 2,038,800. On the other hand, there is a falling off of revenue under certain heads amounting to Rx. 463,800; of this sum the falling off under Salt

accounts for no less than Rx. 445,600, leaving Rx. 18,200 as the total falling off under the remaining heads. The net increase of revenue, as already explained, is Rx. 1,575,000.

13. In attempting to present an intelligible statement of a subject so extensive and complicated as the financial position of British India, more would be lost than gained by going into minute details, and attempting to explain every petty fluctuation in revenue and expenditure due to ordinary causes. I shall, therefore, confine myself to dealing with those variations in revenue or expenditure which are due to important or special causes, and which have had a perceptible influence on the financial results of the year.

14. The head under which the greatest increase of revenue is anticipated is Exchange, and the increase is no less than Rx. 536,800.

The receipts under exchange arise from the net gain accruing to Government in consequence of certain remittance transactions being carried out by it, under contract or as concessions, at a rate of exchange different from the average rate obtained by the Secretary of State by the sale of bills and telegraphic transfers on India. These receipts occur chiefly in connection with the contracts with guaranteed and subsidized railways, with transactions with Her Majesty's Imperial Government, with family remittances of officers serving in India, and with remittances for the purchase of stores through the Secretary of State for local bodies and native States.

The very large amounts of revenue accruing in this way in the current and past years have been due almost entirely to the heavy transactions of the subsidized railway companies. Transactions are carried out at contract rates which are more favourable than the market rates, and a gain is made in this way which increases as the market rate falls below the contract rate. Of course, this is not a source of gain to which we can permanently look forward, and we run the risk of loss when the reverse transaction takes place, as well as when the rate of exchange is rising instead of falling.

The large difference between the Budget and Revised Estimates of the current year under this head is due partly to the fall in the rate of exchange since the Budget Estimate was prepared, but mainly to no provision having been made in the Budget Estimate for the gain, now estimated at Rx. 266,000, accruing from the payments made to the railway companies in England, as the question whether this should be treated as current revenue was under the consideration of the Secretary of State at the time the Estimates were prepared. The gain accrued mainly in connection with transactions relating to the Indian Midland, the Bengal-Nagpur, the Southern Mahratta, and the various Guaranteed Railways.

15. Increased railway receipts account for an improvement of Rx. 243,300, and, as the receipts under this head are intimately connected with the expenditure on working expenses and surplus profits of guaranteed companies, I propose to deal with both the revenue and the expenditure at the same time, thus anticipating to some extent what it would otherwise be necessary to say hereafter. The improvement in railway revenue amounts to Rx. 243,300, but there is an increase of Rx. 393,300 in expenditure (including exchange), so that the net result in the railway account is a deterioration of Rx. 150,000.

The following is a statement of the increase or decrease under the Revenue heads of the Railway Account:—

	Increase + and Decrease —
	Rx.
State Railways (gross receipts) - - - - - -	—500
Guaranteed Companies (net traffic receipts) - - -	+247,500
Subsidized Companies (repayments of advances of interest)	—3,700
TOTAL - - -	243,300

The

The gross earnings of State Railways are almost the same as in the original Estimate, but there are considerable increases and decreases in the case of particular lines.

The main fluctuations are as follows:—

	Increase.	Decrease.
State Railways (gross receipts)—	Rx.	Rx.
East Indian	—	250,000
North-Western	150,000	—
Rajputana-Malwa	95,000	—
Eastern Bengal	70,000	—
Bengal-Nagpur	13,500	—
Indian Midland	12,500	—
Tirhoot	—	25,000
Oudh and Rohilkhund	—	20,000
Southern Mahratta	—	17,500
Burma	—	12,500
Tounghoo-Mandalay	—	10,000
	341,000	335,000
Guaranteed Companies (net traffic receipts)—		
Great Indian Peninsula	270,000	—
South Indian	27,500	—
Madras	25,000	—
Oudh and Rohilkhund	—	60,000
Bombay-Baroda	—	15,000

The serious falling off on the East Indian Railway is ascribed to a variety of causes, amongst which may be enumerated the cessation of an abnormal traffic in the previous year caused by scarcity in the North-Western Provinces, a continued falling off in a long lead traffic of wheat and grains from Upper India, certain writes-back due to overcharges, and, possibly, a diversion of traffic consequent on the opening of the Indian Midland Railway.

On the other hand, the grain traffic of the North-Western Railway, which fell off so much in the previous year, has revived to a great extent; the Rajputana-Malwa and Eastern Bengal Railways have both had prosperous years, the jute season having been extremely favourable for the latter railway.

16. The total increase of expenditure in the Railway Account amounts to Rx. 393,300, which is mainly due to the loss on sterling payments owing to the fall in Exchange.

The rupee expenditure in India has only increased by Rx. 86,400, and the expenditure in England by only 37,100 *l.* (true sterling), but the conversion of the sterling payments on account of interest and annuities, which amount to 5,652,600 *l.* (true sterling), into rupees at a lower rate of exchange than was taken in the Budget Estimate, raises the total increase to no less than Rx. 393,300.

It should also be explained that a more unfavourable exchange adds to the working expenses, under the head of Indian expenditure, by increasing the rupee price of stores procured from England, though, owing to the system of accounting, this factor does not appear separately in the Accounts.

It is possible that up to the present this loss by the fall in exchange may have been to a great extent met by a corresponding fall in English prices; but, with prices constant, it is obvious that an unexpected fluctuation in exchange would have a considerable effect on working expenses.

17. The increased receipts under interest appear in the Home Accounts, and are due to the Secretary of State having, as explained hereafter, raised the loan required for purchase of the Oudh and Rohilkhand Railway much earlier than it was required. This had the effect of placing a large cash balance at his disposal, most of which he was able to lend out temporarily at high rates of interest.

18. The increase of Revenue under Forests is Rx. 154,100, but there is an increase of expenditure on the other side of the Account amounting to Rx. 39,700, and making the net improvement Rx. 114,400. This increase is due mainly to increased receipts in Upper and Lower Burma. The increase in Upper Burma is Rx. 81,500, and includes a payment of Rx. 37,700 by the Bombay-Burma Trading Company on account of previous years. The increase in Lower Burma amounts to Rx. 84,700. The increased expenditure is mainly due to the payment of Rx. 43,400, to the Trading Company just referred to, in satisfaction of a claim against the late Government of Upper Burma, and of Rx. 10,000 on account of expenditure incurred by the Company for guards owing to the disturbed state of the country.

19. In the Budget Estimate for 1888-89 the total Land Revenue, including the portion due to Irrigation, which is shown in the Estimates under the Irrigation head of account, was estimated at Rx. 23,680,800. The Revised Estimate now shows the following increases and decreases :—

	Increase.		Decrease.
	Rx.		Rx.
India - - - - - -	3,500	Lower Burma - - - -	71,500
Central Provinces - - -	14,600	Bengal - - - - -	21,000
Upper Burma - - - -	36,200	North-Western Provinces and Oudh - - - - -	40,000
Assam - - - - -	15,700		
Punjab - - - - -	14,500		
Madras - - - - -	78,500		
Bombay - - - - -	103,100		
TOTAL - - -	266,100		
Deduct Decrease - - -	132,500		
Net Increase - - -	133,600	TOTAL - - -	132,500

Considering the magnitude of the revenue under this head in the different Provinces, the various items of increase and decrease are of little importance, with the exception of the increases of Rx. 103,100 in Bombay, of Rx. 78,500 in Madras, and of Rx. 36,200 in Upper Burma, and the decrease of Rx. 71,500 in Lower Burma. The decrease in Lower Burma is due entirely to the postponement of the date of the Land Revenue demand in two districts, which transfers Rx. 87,000 from 1888-89 to 1889-90. The increase in Bombay is stated to be due to prompt realisation of the demand; that in Madras is due to land newly brought under cultivation having raised the demand of the year and to expected advance collections, and in Upper Burma to growing receipts in that Province as order is established. The decrease in Bengal and the North Western Provinces reflects the influence of an unfavourable season and poor crops in some places.

20. The increase of revenue under the group which comprises Post Office, Telegraph, and Mint, is made up as follows :—

	Rx.
Post Office - - - - - - - - - -	49,800
Telegraph - - - - - - - - - -	33,400
Mint - - - - - - - - - -	25,900
TOTAL - - -	109,100

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The increased revenue of the Post Office is due to the steady growth of the Department; the receipts of the Telegraph Department have increased from a similar cause and from the extension of private lines; while the increased revenue of the Mint is due to a larger amount of copper coin passing into circulation than was taken credit for in the Estimates.

21. The increase of Rx. 107,000 in receipts from opium is entirely due to the rise in the price of the Bengal drug. The increased revenue from this source alone has been Rx. 444,600, against which has to be set a reduction of Rx. 333,000 in duty on exports of Malwa opium and a small falling off of Rx. 4,600 under other heads. The average price of Bengal opium has been Rs. 1,120, as against an estimate of Rs. 1,042. In the Budget Estimate it was anticipated that duty would be paid on 35,350 chests of Malwa opium. It is now expected that duty will be paid on only 30,300 chests. The rise in the price of the Bengal drug, and the reduced exports of Malwa, appear to have been due to short crops both in China and Malwa.

22. The increase of Rx. 96,200 in Excise Revenue is the net result of the following increases and decreases in the different Provinces:—

	Increase.		Decrease.
	Rx.		Rx.
India	1,700	Central Provinces	6,000
Lower Burma	42,000	Upper Burma	12,000
Bengal	5,000	Assam	1,200
Punjab	10,700	North-Western Provinces and Oudh	11,000
Madras	40,000		
Bombay	27,000		
TOTAL	126,400	TOTAL	30,200

The increase in Lower Burma is due to an enhancement of the rate of duty, in Madras to the extension of the stricter system of excise, and the introduction of the tree-tax system, and in Bombay and the Punjab to expansion of the revenue due to a good season and general prosperity.

23. The increase under Irrigation is Rx. 80,200, but there is an increase of expenditure on the other side of the Account amounting to Rx. 48,500, making the net improvement Rx. 31,700. The increase in Revenue is mainly due to higher direct receipts in the North-Western Provinces and Punjab and an increase in Madras of the portion of the Land Revenue due to Irrigation, and in the Punjab to the increased area under irrigation from new canals.

24. The increase in Stamps of Rx. 77,800 is distributed between all Provinces except Bengal, where a reduction of Rx. 20,000 is expected.

25. The increase of Rx. 56,800 in Assessed Taxes is mainly due to the following changes: In the "India" Account an increase of Rx. 23,100, chiefly in interest on Government securities; in Bengal, Rx. 5,000, due to revision of assessments and realization of arrears; in Madras, Rx. 10,000, from revision of assessments, and in Bombay, Rx. 9,200.

The year 1887-88 was the second in which the income-tax of 1886 was in operation, and, though I have already completed the examination of the Accounts of that year in another place, it may be of interest if I state here that the smoother working of the administrative machinery is indicated by the reduction, in 1887-88, in the number of objections from 100,428 to 72,571, in the amount refunded from Rx. 27,067 to Rx. 19,949, and in the cost of collection from Rx. 50,157 to Rx. 28,679. The net collections amounted to Rx. 1,382,808, and exceeded those of the previous year by Rx. 105,297.

26. The estimated falling off in the Salt Revenue is Rx. 445,600, and it is due to a reduction in the quantity of salt on which duty was paid. The question of the causes which have brought about this reduction is of importance, because

it has followed the increase of duty which took place towards the close of last year. I shall deal specially with this matter hereafter.

27. Turning to the expenditure side of the Account, we find a total increase in expenditure proper of Rx. 392,000, as well as an alteration in the Provincial adjustment of Rx. 686,700, the result appearing as an increase on the whole Account of Rx. 1,078,700.

It will be convenient, in the first place, to divide the total increase of expenditure into its three component parts of (1) rupee expenditure in India, (2) sterling expenditure in England, and (3) exchange.

In the Indian or rupee expenditure there has been an increase of Rx. 208,800 in Imperial expenditure and a reduction of Rx. 254,400 in Provincial expenditure. In the English or sterling expenditure there is a decrease of 168,400 *l.* (true sterling), and, notwithstanding this reduction in the gold payments, an increased charge on account of exchange of no less than Rx. 606,000. If the sterling expenditure had equalled the estimate, the increased charge for exchange would have been Rx. 684,400. This increased charge on account of exchange is due of course to the Budget Estimate having been calculated in March last at an exchange of 1 *s.* 4·9 *d.* per rupee, while in the Revised Estimate we have only been able to take 1 *s.* 4·38 *d.*

28. The principal heads under which increases of expenditure have occurred are the following:—

	Increase.
	Rx.
Army	402,500
Railway Revenue Account	393,300
Interest on Debt	189,100
Opium	93,800
Superannuation Allowances and Pensions	88,800
Political	51,800
Forests	39,700
Irrigation	48,500
TOTAL	1,307,500

The aggregate increase under these heads comes to Rx. 1,307,500. Minor increases under other heads come to Rx. 166,700, making a total increase of Rx. 1,474,200. Against this figure must be set decreases amounting to Rx. 1,082,200, of which the following are the most important:—

	Decrease.
	Rx.
Special Defence Works	303,200
Civil Works	221,600
Land Revenue	145,200
Stationery and Printing	71,000
TOTAL	741,000

The explanations of the increased expenditure under the Railway Revenue Account and Forests have already been given.

29. The increased cost under Army is accounted for by an increase of Rx. 210,000 in India, of 16,000 *l.* (true sterling) in England, and of Rx. 176,500 for Exchange. The increase in India is due to the Sikkim, Black Mountain, and Lushai Expeditions already mentioned, to the rupee payments to British troops

troops having been increased by the fall in the rate of exchange, and to the introduction of the practice of fixing the rate of exchange for the issue of pay to British troops serving in India for the half-year only, instead of for the whole year, and to higher expenditure on account of dearness of provisions and forage (including compensation paid to Native troops on this account). These increases were balanced to some extent by considerable savings in military expenditure in Burma.

30. The increased charge of Rx. 189,100 on account of interest on debt is made up of an increase of 68,100 *l.* (true sterling) in England, and a decrease of Rx. 27,400 in India, plus an increase of the charge for exchange amounting to Rx. 148,400. The increase in the English sterling payment is due to the inclusion, under this head, of so much of the interest on the sum raised for the purchase of the Oudh and Rohilkhand Railway as was not chargeable to the Railway Revenue Account, and there is a corresponding receipt arising from the investment by the Secretary of State of a portion of his surplus cash-balance owing to the favourable condition of the money market. The loan was raised in April 1888, and payment was not due till 1st January 1889, except in the case of some of the debenture loans which matured intermediately. Obviously, therefore, the Railway Revenue Account could not be charged with the interest, for the period April to 31st December, on any portion of the loan that was not applied to pay off debentures at maturity.

31. The increase in the charge for opium is due to a larger crop than was anticipated, and the increase under Superannuation Allowances and Pensions of Rx. 88,800 is due, to the extent of Rx. 72,800, simply to the increased exchange on the sterling payments made in England.

The increased political charge of Rx. 51,800 is chiefly due to the payment of arrears of the subsidy of the Amir of Afghanistan, as well as to an advance payment on the same account of Rx. 20,000.

The increase in expenditure under Irrigation is the net result of a great many variations, amongst which may be mentioned a heavy increase in the Punjab (Rx. 26,300) to repair damages by flood, and the classification of the Khushdil Khan Reservoir (Rx. 26,124) in Biluchistan as a work to be constructed from Revenues, instead of from Loan Funds, as was originally intended.

32. The decrease of Rx. 303,200 in the estimated expenditure on Special Defence Works is mainly due to a decrease in the estimated expenditure in England of 186,300 (true sterling) caused by the fact that payments for heavy guns for arming the Indian defences were not made as rapidly as was expected.

33. The decrease in the expenditure on collection of Land Revenue is distributed over the several Provinces in the following manner :—

	Decrease.
	Rx.
India	600
Central Provinces	24,900
Upper Burma	4,000
Lower Burma	16,100
Assam	4,000
Bengal	8,300
North-Western Provinces and Oudh	49,500
Punjab	12,300
Madras	32,700
England	200
Exchange	100
TOTAL	152,700

Against this decrease is to be set an increase of Rx. 7,500 in Bombay. In the Central Provinces the saving is partly due to low expenditure on survey and settlement operations and partly to the transfer of Forest Survey Charges to the head of Forests. In Upper Burma it is due to provision having been made for reorganisation of the commission from 1st April, whereas it actually took effect from 1st December. In the North-Western Provinces it is chiefly in survey and settlement charges owing to cessation of operations in certain districts. The saving in the Punjab also occurs in survey and settlement expenditure, and that in Madras is due to the revision of revenue establishments not having been carried out as intended.

34. The reduction in cost of stationery and printing is due to the demand for stores from England having been less than was anticipated.

The reduced estimate of expenditure under Civil Works is due: under Imperial (Rx. 31,800), to short outlay in Upper Burma and to the non-completion of the Surveyor-General's Office in Bengal, and to payments in England for light-houses not having been made to the full extent anticipated; under Provincial, to outlay in the Central Provinces (Rx. 37,600) having been postponed; while in Bombay the expenditure appears to have been over-estimated (Rx. 53,300). The expenditure from local funds in Bengal by local boards was also over-estimated (Rx. 81,300).

35. The alteration in the Provincial adjustment arises in the following manner:—

The Original Estimate of Provincial Revenue was Rx. 21,668,100, and of expenditure Rx. 22,151,700, giving a Provincial deficit of Rx. 483,600, which represents the Provincial adjustment of the Budget Estimate of 1888-89.

The Provincial Revenue of the year is now taken at Rx. 22,100,400, and the Provincial Expenditure at Rx. 21,897,300, giving a surplus on Provincial Account of Rx. 203,100, which represents the Provincial adjustment of the Revised Estimate.

36. The outlay on railways (not charged against revenue) has fallen from Rx. 3,444,500, as estimated in the Budget, to Rx. 1,364,800, as provided in the Revised Estimate. The greater portion of this apparent lapse, however, is nominal, and is due to the transfer from the State Railway Account of the following sums:—

	Rx.
Past outlay incurred by the State on the Sindia State Railway transferred to the Capital Account of the Indian Midland	921,000
Katni-Umaria Railway transferred to the Capital Account of the Bengal-Nagpur	485,700

But, apart from this, the expenditure has fallen short of the provision to the extent of about Rx. 673,000, the principal causes being the following: Rx. 200,000 were provided for the re-purchase by the State from the Bengal-Nagpur Railway Company of the old metre-gauge material of the Nagpur-Chhattisgarh Line on the conversion of the gauge having been completed. Up to date the rolling stock only has been taken over, and for this a purchaser has been found in the Southern Mahratta Railway Company. The permanent-way and other metre-gauge materials have not yet been valued, so that the whole provision in the Budget has practically proved unnecessary.

There have been further heavy lapses in the provision for the following items, which may be approximately stated thus—

	Rx.
Bolan High Level Line	147,500
North-Western Railway (including Jhelum-Pindi gradients)	143,000
Kandahar Reserve, due to heavy issues to the Chaman Extension	93,000
Sind-Pishin Railway	67,000
Sind-Sagar Railway	63,000
Bellary-Kistna	25,000
Jammu-Kashmir	20,000

There

There have also been small excesses and lapses on other lines which it is unnecessary to detail. It was found possible to provide about Rx. 90,000 for expenditure on the Villupuram-Dharmaveram Line just commenced, and also for an increased outlay on the Chenab Bridge.

37. The reduced estimate of Expenditure under Irrigation Capital expenditure from loan funds (Rx. 107,000) is mainly due to the transfer of the Kushdil Khan Reservoir from this head to works chargeable to ordinary revenues (Rx. 26,124), and to the inability of the executive Engineers in the North-West Provinces and Oudh to spend the full grants provided on the Jani Escape, Ganges Canal, and Nadrai Aqueduct (Rx. 63,200).

SECTION IV.—ESTIMATES OF 1889-90.

38. The Revenue of the coming year 1889-90 is estimated at Rx. 82,935,300, and the total Expenditure at Rx. 83,469,800.

The provincial adjustment for the year is estimated at *minus* Rx. 640,800, and consequently the expenditure chargeable against the Revenue of the year is Rx. 82,829,000, and the estimated surplus is Rx. 106,300. This surplus is obtained after including in the expenditure of the year a sum of Rx. 1,102,900 on account of the cost of Special Defence Works. Exchange has been taken at 1 *s.* 4·38 *d.* = 1 rupee.

A comparison of the Budget Estimates of 1889-90 under the different heads with the Budget Estimates of 1888-89 will show the progress of Revenue and Expenditure during the year which is now drawing to a close.

39. Before, however, proceeding with this comparison, it is necessary to give some explanation of a special arrangement which has had a considerable influence on the Estimates of the coming year. It was explained in the Financial Statement for 1887-88 that the provincial contracts had been renewed with Local Governments for a further period of five years from 1st April 1887. The average annual gain to Imperial Revenues during the period of revision was stated to be Rx. 550,000, in addition to which, a greater share in the improvement of the revenue was secured under the new arrangements. It has been explained elsewhere in this statement that the continued fall in exchange and growth of military expenditure compelled the Government to raise the duty on salt and to impose a tax on imported petroleum. The Secretary of State, in sanctioning this additional taxation, examined and reviewed the financial relations between the Imperial and Provincial Governments, and pointed out the inequality of the existing arrangements which secure freedom from financial difficulties to Local Governments, while the Supreme Government may be passing through a phase of acute embarrassment. The Government of India was requested to reconsider the propriety of arrangements which protected Local Governments from sharing in the financial responsibilities of the Empire, and from contributing to their relief.

Proposals for an alteration in the financial relations between the Supreme and Local Governments, which virtually had the effect of terminating the Provincial Contracts of 1887-88, were made on 2nd October last. These proposals met with much opposition, and it was decided to reserve for future determination a decision on the questions involved. It was, however, settled as a temporary expedient, that each Local Government, except the Punjab, should make a contribution in aid of Imperial Revenues in 1889-90. The total of this contribution is Rx. 740,000, and, with scarcely an exception, provincial resources are so ample that the contribution has been made without seriously affecting the financial position of any of the Local Governments.

The contributions made by the several Local Governments are as follows:—

	Rx.
Central Provinces	30,000
Burma	50,000
Assam	10,000
Bengal	100,000
North-Western Provinces	200,000
Madras	175,000
Bombay	175,000
TOTAL	740,000

In the case of the North-Western Provinces and Oudh and Lower Burma the contributions will be permanent. In the former case the Local Government will be reimbursed its contribution by receiving the proceeds of the Patwari cess now about to be re-imposed; in the case of Lower Burma the financial position of the Province had so far improved in recent years that a special annual grant of Rx. 47,900, made to it in 1887-88, has been simply resumed.

The important and difficult question of the nature of the future financial relations between the Supreme and Local Governments remains for future consideration.

40. The Revenue of the year 1888-89 was estimated in March last at Rx. 80,010,500, and the Revenue of 1889-90 is now estimated at Rx. 82,935,300. The increase is Rx. 2,924,800.

The following are the principal heads under which the increase occurs :—

	Increase.
	Rx.
Railway Account	1,501,800
Land Revenue	301,200
Provincial Rates	244,700
Post Office, Telegraph, and Mint	197,400
Irrigation	130,600
Excise	117,800
Receipts under Exchange	112,300
Stamps	105,100
Forest	98,000
Assessed Taxes	63,500
Customs	49,300
TOTAL	2,921,700

The total increase under the heads just specified comes to Rx. 2,921,700, leaving a balance of Rx. 3,100, which is the net result of variations under other heads, of which the most important are a decrease of Rx. 193,900 under Opium and of Rx. 92,600 under Salt.

41. In the Budget Estimate of 1888-89 the receipts from Railways were estimated at Rx. 15,184,700. For 1889-90 they are estimated at Rx. 16,686,500, giving the increase of Rx. 1,501,800. If we consider the expenditure side of the Account, however, we find that the estimated expenditure of Rx. 17,299,600 in 1888-89 has risen to Rx. 18,713,100 in 1889-90, showing an increase of Rx. 1,413,500; the net improvement in the Railway Revenue Account is, therefore, only Rx. 88,300.

42. The variations in receipts of the Railway Account fall under the following heads :—

	Increase+ Decrease—
	Rx.
State Railways (gross receipts)	+1,362,600
Guaranteed Companies (net traffic receipts)	+155,000
Subsidized Companies (repayment of advances of interest)	—15,800
TOTAL Rx.	1,501,800

The increased receipts of State Railways shown in the above figures are not altogether real, as they are exaggerated by the transfer of the Oudh and Rohilkhand Railway to this head from that of Guaranteed Railways. The line was purchased by the State on 1st January 1889, so that the transactions relating to it, which were entered in the Budget of 1888-89 for nine months under Guaranteed Railways and for three months under State Railways, now appear in the Budget for 1889-90 wholly in the latter category.

The

The principal increases and decreases of receipts occur in connection with the following lines:—

State.	Increase + Decrease —
	Rx.
East Indian Railway	—240,000
Rajputana-Malwa	+100,000
Bengal-Nagpur	+95,000
Tounghoo-Mandalay	+85,000
Eastern Bengal System	+90,000
Oudh and Rohilkhand	+550,000
Indian Midland	+400,000
North-Western Railway	+200,000
Mysore Railway	+54,600
Total	1,334,600

Guaranteed.	(Net Receipts.)
	Rx.
Madras	20,000
South Indian	40,000
Bombay-Baroda	15,000
Great Indian Peninsula	310,000
Oudh and Rohilkhand	—230,000
Total	+155,000

The cause of the increase and decrease in the case of the Oudh and Rohilkhand line has been explained. In the case of the Indian Midland, Bengal-Nagpur, Tounghoo-Mandalay, and Mysore, it is due to the opening of additional lengths of line.

On the remaining lines noticed, the estimate has been fixed principally on a consideration of the current year's results. The very serious falling off on the East Indian Railway has been explained in dealing with the revised estimate. The opening of the Indian Midland will probably still further affect the receipts, but to what extent it is impossible to foretell.

The falling off is fortunately more than covered by the increase on the Great Indian Peninsula line. The estimated gross receipts of this line show an anticipated increase of Rx. 400,000 over the Budget of the year about to close; the estimate is based on the traffic of the past twelve months, which has shown a steady improvement, likely not only to be maintained but to be still further augmented by the opening of the Indian Midland and Bengal-Nagpur Railways. The opening of the Indian Midland may, on the other hand, tend to reduce the earnings of the Rajputana-Malwa and Bombay-Baroda lines, so that there is considerable uncertainty in framing the Estimates this year of individual lines; taken as a whole, the estimate is likely to prove a fairly correct one.

To meet the increased traffic on the Great Indian Peninsula Railway, it has been necessary to raise the estimate of working expenses by Rx. 90,000, showing a net increase of Rx. 310,000.

43. Turning to the expenditure side of the account, it will be found that there has been an increase of Rx. 1,177,900 in the Indian or rupee portion of the transactions, a decrease of £. 11,600 (true sterling) in the English expenditure, and an increased charge of Rx. 247,200 on account of exchange.

The increase in working expenses of State Railways is mainly due to the Oudh and Rohilkhand Railway being treated as a State line for the whole year, to the opening out of new lines, and to increase of traffic on lines already open.

An item appears for the first time in the Estimates, namely, "Interest chargeable against companies for advances of capital." It represents interest

on moneys raised directly by the Secretary of State under the provisions of the Oudh and Rohilkhand Railway Purchase Act, to meet expenditure incurred by companies, in preference to allowing companies to borrow themselves. It is found that capital can be raised on more favourable terms in this way.

The increase in the charge against revenue for exchange is wholly due to the fall in value of the rupee, the estimated sterling expenditure, other than on account of revenue stores, being actually less than in the current year; in addition to the amount shown on this account, Rx. 247,200, a large sum, representing a further loss, is concealed in the working expenses, as explained in dealing with the revised estimate.

44. Considering the very heavy increased burdens on account of the fall in exchange, and bearing also in mind the fact that in recent years a very large amount of capital has been expended on lines for the defence of the frontier, which cannot be expected to prove remunerative, a net improvement, though only of Rx. 88,300, cannot be considered unsatisfactory.

The rapidity with which the construction of railways has been pushed on, and the influence of the fall in exchange, had, however, an injurious influence on the net results of the railway revenue account in recent years, as will be seen from the following figures:—

	Net Receipts + Net Expenditure —
	Rx.
1880-81	—1,044,203
1881-82	—285,955
1882-83	—1,306,194
1883-84	—305,239
1884-85	—1,051,751
1885-86	—731,713
1886-87	—1,188,668
1887-88	—2,122,386
1888-89 (Revised Estimate)	—2,264,900
1889-90 (Budget Estimate)	—2,026,600

The net loss on the Railway Account has increased from Rx. 1,044,203 in 1880-81 to Rx. 2,026,600 in the Estimates of 1889-90.

The following figures show the rate at which railways have been constructed at the cost, or on the responsibility, of the Government since 1880:—

Date.	No. of Miles Open.	No. of Miles under Construction.
31st March 1880	8,382	1,037
1881	9,134	539
1882	9,437	1,155
1883	9,748	1,552
1884	10,188	2,185
1885	10,824	2,809
1886	11,173	2,969
1887	12,000	2,557
1888	12,918	1,882
1889 (Revised Estimate)	13,671	1,438

Between March 1880 and March 1889 the number of miles open has increased from 8,382 to 13,671, or by more than 63 per cent.

TOTAL CAPITAL EXPENDITURE.

	State Railways.	State Railways constructed through the agency of Companies.	Guaranteed Lines.	Total.	Annual Progress.
To end of—	Rx.	Rx.	Rx.	Rx.	Rex.
1879-80 - - - -	28,007,395	—	96,829,969	124,837,364	—
1880-81 - - - -	67,224,624	—	66,348,478	133,573,102	8,735,738
1881-82 - - - -	70,569,867	—	67,021,756	137,591,623	4,018,521
1882-83 - - - -	72,800,428	468,270	67,431,448	140,700,146	3,108,523
1883-84 - - - -	76,653,281	704,155	68,769,369	146,126,805	5,426,659
1884-85 - - - -	81,389,391	3,126,906	69,904,427	154,420,724	8,293,919
1885-86 - - - -	90,863,111	4,775,059	67,883,682	163,521,852	9,101,128
1886-87 - - - -	108,456,220	7,915,378	57,046,325	173,417,923	9.896,071
1887-88 - - - -	110,788,941	12,979,680	57,694,898	181,463,519	8,045,596
1888-89 Revised - - -	122,507,721	18,254,330	49,116,331	189,878,382	8,414,863
1889-90 Budget - - -	126,079,721	20,890,990	49,840,731	196,811,442	6,933,060

The average yearly expenditure of capital on Railways has been Rx. 7,197,000.

45. Land Revenue (including the portion due to irrigation) is estimated to increase by Rx. 340,300, distributed in the following manner :—

	Increase.
	Rx.
India General - - - - - - - - -	3,400
Central Provinces - - - - - - -	29,300
Lower Burma - - - - - - - - -	81,400
Upper Burma - - - - - - - - -	68,300
Assam - - - - - - - - - -	10,700
North-Western Provinces and Oudh - - - -	47,200
Punjab - - - - - - - - -	36,700
Madras - - - - - - - - -	28,600
Bombay - - - - - - - - -	50,700
TOTAL - - - Rx.	356,300
Deduct falling off in Bengal - - - -	16,000
NET INCREASE - - - - -	340,300

Rx. 39,100 of the increase is credited as irrigation revenue. In the Central Provinces, North-Western Provinces, and the Punjab, the increases are due to settlement operations, and in the case of the last-mentioned Province also to collection of arrears. A large portion of the increase in Lower Burma is due to the postponement of the demand from the current year, and the remainder to revised assessments, and to the resumption from certain Local Funds of receipts which they formerly obtained, a fixed contribution being given them as compensation. The increase in Madras is due to a higher per-centage of collections being anticipated, and in Bombay, to reduction of arrears and suspensions. In Upper Burma the increase is due to the gradual development of the country.

Provincial rates are estimated to increase by Rx. 244,700, due almost entirely to the receipts expected from the re-imposition of the Patwari cess. The Revenue classed under this head is appropriated to Local purposes, and shown in the Local column in the Estimates.

46. The receipts under Irrigation are expected to increase by Rx. 130,600, but there is an increased charge of Rx. 32,400, giving a net improvement of Rx. 98,200.

The increase in revenue is due to increase of direct receipts from irrigation in the North-Western Provinces and the Punjab, and to an increase in the land revenue due to irrigation in Madras and Bombay. The increased expenditure is chiefly due to increase in the charge for interest owing to additional capital expenditure.

47. Post Office, Telegraph, and Mint.—The net account of these Departments stands as follows:—

	Net Estimate, 1888-89. Surplus + Deficit—	Net Estimate, 1889-90. Surplus + Deficit—	Improvement.
	Rx.	Rx.	Rx.
Post Office - - -	—118,100	— 54,800	+ 63,300
Telegraph - - -	— 36,700	— 10,300	+ 26,400
Mint - - - -	+103,900	+125,500	+ 21,600
TOTAL - - - Rx.	—50,900	+ 60,400	+111,300

The improvement in the case of the Post Office is due to steady progress of the Department. The figures just given do not profess to be a strict profit and loss account of the working of the Departments concerned. They represent merely the difference between the revenue and expenditure, as recorded in the Accounts and Estimates, but they are sufficient for the purpose of indicating the financial progress of the Departments.

48. The increase of Rx. 117,800 in the case of Excise and of Rx. 105,100 in the case of Stamps is generally distributed over the several provinces, with the exception of Bengal, where a decrease of Rx. 50,000 in Excise revenue is anticipated on the ground that the unfavourable crops and the changes which are being introduced in the management of the Excise may have an unfavourable effect on the revenue for a time.

49. The increase in Customs (Rx. 49,300) is mainly due to large exports of rice anticipated from Burma in 1889-90.

The petroleum tax, when it was first imposed, was expected to give a revenue of Rx. 100,000 on a total import of 32,000,000 gallons. It is expected to give in the current year a revenue of Rx. 115,000 on an import of 38,000,000 gallons. And for 1889-90 it is expected to give Rx. 120,000.

50. I have already explained the nature of the receipts under Exchange. In the Budget Estimate of 1888-89 these receipts were estimated at Rx. 415,000; in the Revised Estimate for that year the figure has been raised to Rx. 951,800, due largely to the addition of a credit, now estimated at Rx. 266,000, which was not included in the original Estimate owing to a difference of opinion as to the proper method of dealing with it in the Accounts. The estimate of these receipts in 1889-90 is Rx. 527,300. The large decrease is due to reduced capital expenditure on some of the subsidized railways now approaching completion.

51. In the case of Forests the improvement expected in revenue is Rx. 98,000, against which must be set an increase of expenditure amounting to Rx. 30,700, giving a net improvement of Rx. 67,300. This improvement is due to increased revenue in Upper and Lower Burma.

52. Under Assessed Taxes the increase of revenue is expected to be Rx. 63,500. The expectation of an increase is based on the results of the current year.

53. The

53. The decrease of Rx. 193,900 under Opium is due to an increase of Rx. 159,600 under Bengal opium, the selling price having been taken at Rs. 1,070, instead of Rs. 1,042 as in the current year's Estimates, and to a decrease of Rx. 347,000 under Malwa opium owing to an expected reduction in the number of chests exported, from 35,350 to 30,000.

54. For salt we have taken a moderate estimate of Rx. 8,029,900, which is Rx. 353,000 more than the Revised Estimate, and Rx. 92,600 less than the Budget Estimate for the current year. A large increase over the receipts of the current year is expected, as the falling off this year is mainly due to unfounded rumours of an immediate reduction of the duty.

55. The expenditure of 1889-90 is estimated at Rx. 83,469,800, as compared with an estimated expenditure of Rx. 81,192,100 for 1888-89, showing an increase of Rx. 2,277,700, which requires explanation.

The provincial adjustment is *minus* Rx. 640,800, as against an adjustment of *minus* Rx. 483,600 in the Estimates of 1888-89.

The increase of Rx. 2,277,700 is made up of an increase of Rx. 1,651,500 in the rupee portion of the account, of a decrease of 39,700 *l.* (true sterling) in the Home Account, and of an increase of Rx. 665,900 in exchange. The increase in exchange of Rx. 665,900 is almost entirely due to the fall in the value of the rupee; the alteration in the rate of exchange for converting the pay of the British troops, which is fixed in gold, but payable in rupees, adds an additional charge to the military expenditure of about Rx. 195,000; so that the additional expenditure for which the Government of India has to provide has been increased in one year by Rx. 860,900 on account of the fall in exchange.

56. It will facilitate explanation of the various increases or decreases, if the heads of expenditure are dealt with in the first instance according to the grouping which is generally adopted in the Accounts.

The following statements show the groups under which (I.) increases and (II.) decreases have occurred:—

I.	Expenditure Increased.
	Rx.
Railway Revenue Account	1,413,500
Army	1,005,700
Salaries and Expenses of Civil Departments	192,900
Post Office, Telegraph, and Mint	86,100
Irrigation	32,400
Famine Relief and Insurance	27,300
TOTAL Rx.	2,757,900

II.	Expenditure Decreased.
	Rx.
Interest	149,800
Direct Demands on the Revenue	133,000
Buildings and Roads	110,500
Miscellaneous Civil Charges	34,700
Construction of Railways (charged against Revenue)	33,600
Special Defence Works	18,600
TOTAL Rx.	480,200

The aggregate of increases is Rx. 2,757,900, and of decreases Rx. 480,200, giving a net increase of Rx. 2,277,700.

57. The causes of the increase under Railway Revenue Account, Post Office, Telegraph, and Mint, and Irrigation, have already been explained.

By far the most important of the other increases is that under Army. The total increase of Rx. 1,005,700 is made up of an increase in rupee expenditure of Rx. 477,000, in English expenditure of 245,500 *l.* (true sterling), and of Rx. 283,200 under exchange. The increased charge for exchange is chiefly due to the fall in the value of the rupee, and the increases, of which special explanation is necessary, are an increase in the Indian Estimates of Rx. 477,000, and an increase in the English Estimates of 245,500 *l.* (true sterling).

Taking the latter item first, it may be said with practical accuracy that the increase in the Home expenditure is due to provision made for the purchase of magazine rifles and 12-pounder breech-loading guns. However much the Government of India may regret that it should be necessary to incur such expenditure, it is not possible to avoid it, without placing the Indian Army in a position of inferiority as compared with that of other countries. The cost of these rifles and guns accounts for 206,000 *l.* (true sterling) of the Home expenditure.

As regards the increased cost of the Army in India, it will be obvious that the increase to the number of troops, European and Native, must give rise to petty increases in the various Departments that deal with them, and minor reforms account, in the aggregate, for a perceptible amount of increase. But the greater portion of the increase is due to special measures, of which the most important are the following :—

	Rx.
Provision for rapid mobilisation of an Army Corps in case of necessity	203,500
Exchange on pay of British troops	195,000
Provision on account of troops in Sikkim	100,000
Ditto ditto Lushai country	10,000
Increased cost of provisions, including compensation for dearness of provisions and forage	79,500
TOTAL	588,000

The total comes to Rx. 588,000, but there is a saving of Rx. 220,000 in the extra cost of troops in Burma, so that the additional cost is reduced to Rx. 368,000. The difference of Rx. 109,000 between this figure and the total increase in India of Rx. 477,000 is due to the minor elements of increase to which I have just referred, balanced to some extent by savings under other heads.

The sum of Rx. 203,500 on account of mobilisation is intended to meet the cost of purchasing transport animals, provisions, and equipments, so that in case of need an army corps may be in a position to take the field promptly. This is one of those precautions which in the present days of scientific warfare cannot safely be neglected. The greater portion of the cost will be incurred once for all, and will not recur. The pay of the British troops is fixed in sterling, and, as the exchange falls, the number of rupees which they are entitled to receive increases. In the estimate of 1888-89 the rate was taken at 1 *s.* 5½ *d.*; it has now been fixed at a much lower rate, and the change has added Rx. 195,000 to the estimate of expenditure for 1889-90.

58. The increased expenditure on salaries and expenses of Civil Departments is mainly due to the entertainment of additional police. The increase of expenditure on police is Rx. 168,800, and of this Rx. 125,600 is on account of police in Upper Burma. There is also an increase of Rx. 45,200 in Bengal, due to Government undertaking to bear the whole cost of the police of the Presidency

Presidency town. There is also some increase in Madras, due to a provision for giving a special allowance to officers in charge of police stations.

59. The decrease of Rx. 149,800 under Interest is made up of a decrease of Rx. 21,300 in the rupee portion of the account, of a decrease of 167,400 *l.* (true sterling) in the English account, and an increase of Rx. 38,900 in the charge for exchange.

The statement below brings together the net charge for interest on debt in India and in England, excluding that incurred for railways and irrigation works :—

	In Thousands of Rx.								1888-89.		1889-90.
	1880-81.	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.	Budget.	Revised.	Budget.
India - -	1,139	987	1,049	697	703	450	123	9	182	157	113
England -	2,144	2,457	2,458	2,418	2,578	2,420	2,556	3,300	2,584	2,529	2,397
Exchange -	435	506	564	552	626	762	961	1,386	1,086	1,176	1,114
TOTAL -	3,718	3,950	4,071	3,667	3,907	3,632	3,640	4,695	3,852	3,862	3,624

It will be seen from these figures that the net charge for interest on ordinary debt has not varied much between the years 1880-81 and 1889-90, if the year 1887-88 is left out of consideration. The irregular result in that year arises (*a*) in India, from (1) about Rx. 90,000 of the interest charges having remained unpaid at the end of the year, and (2) the realisation of arrears due on the Kidderpore Dock loan, and (*b*) in England, from special charges amounting to about Rx. 1,059,000 having fallen into that year in consequence of the conversion of about 48,200,000 *l.* of 4 per cent. Stock into 3½ per cent. Stock. The gradual diminution of the net burden of debt in India is of course due to the transfer to the Capital Account of Railways and Irrigation Works of their portion of the debt, and means that the expenditure on Capital construction has exceeded the amounts borrowed by public loans. The decrease in England in 1889-90 is accounted for by the conversion of 53,262,000 *l.* of 4 per cent. Stock into 3½ per cent. Stock, which reduces the yearly interest charge by 266,300 *l.* The increase in Exchange requires no explanation.

60. The decrease under "Direct Demands on the Revenues" is Rx. 133,000. It occurs under Opium cultivation and manufacture (Rx. 190,400), Collection of Land Revenue (Rx. 55,000), and Stamps (Rx. 40,700). The other heads in this group, except Customs, show increases. The expenditure on opium cultivation and manufacture is determined by the amount of crude opium produced. The area under cultivation in the present season is 14 per cent. less than last year, and the produce is estimated at 15 per cent. less. Our reserve is unusually large, and is expected to stand at 49,705 chests at the end of 1889. With a reserve of this magnitude it is obviously desirable to temporarily contract production, and this policy has been adopted in making the engagements for the present season. The decrease under Collection of Land Revenue occurs under Survey and Settlement charges, and that under Stamps is owing to smaller indents for supplies of stamped paper from England.

61. The reduction under Buildings and Roads of Rx. 110,500 is due to a reduction of Rx. 110,600 in Civil Works. Of the decrease under Civil Works, Rx. 96,200 is in Imperial expenditure, and is owing to the completion of the bulk of the frontier roads and other Imperial works. On the other hand, a large Imperial grant (Rx. 298,100) is still being made for civil buildings and roads in Upper Burma, and it it hoped that the lighthouses on Oyster Rock and Savage Islands on the Burmese coast will be completed.

62. The reduction in Miscellaneous Civil Charges is the net result of a number of increases and decreases, of which the most important are an increase of Rx. 118,000 on account of Superannuation Allowances and Pensions, and decreases of Rx. 47,500, Rx. 81,000, and Rx. 40,000 under Territorial and Political Pensions, Stationery and Printing, and Miscellaneous.

The increase in Superannuation Allowances is very largely due to the increase of exchange on sterling pensions, the decrease in Political Pensions to the death of the Ex-King of Oudh, and the decrease under Stationery and Printing to a reduced demand for Stores from England.

63. In the Budget Estimates of 1888-89 Provincial Revenues were estimated to yield Rx. 21,668,100, and Provincial Expenditure was taken at Rx. 22,151,700, the Provincial adjustment being *minus* Rx. 483,600.

In the Estimate for 1889-90 Provincial Revenues are taken at Rx. 21,781,300, and Provincial Expenditure at Rx. 22,422,100, and the Provincial adjustment is *minus* Rx 640,800.

Capital Expenditure.

64. The provision in 1889-90 for railways not charged to revenue varies but little in the aggregate from the original provision of the previous year, thus—

	India.	England.	Exchange.	Total.
	Rx.	£.	Rx.	Rx.
1888-89 - - -	2,062,800	973,000	408,700	3,444,500
1889-90 - - -	1,697,100	1,273,000	591,900	3,562,000

The Mandalay Extension, for which a heavy grant was made in 1888-89, is now practically completed, and for the Sind-Pishin, Sind-Sagar, and Assam Behar lines, which are approaching completion, a comparatively small sum is required. The grants for the Chaman Extension and for the Chenab Bridge are about the same as in last year, and provide for the completion of the latter work.

On the other hand, a provision of Rx. 1,021,600 is made for the Villupuram-Dharmaveram line, which is to be constructed by the South Indian Railway. In this figure a very large sum is included for English expenditure (436,000 *l.*).

Other new works are: an extension of the Eastern Bengal Railway to Budge-Budge (Rx. 90,000); Barrakar branch (Rx. 110,000); Peshawar-Jamrood (Rx. 70,000); and a small provision for ferry arrangements over the Kistna.

Section V.—GENERAL FINANCIAL POSITION.

65. Having now explained the Estimates of Revenue and Expenditure for 1889-90, I propose to make a few remarks on the general financial position and the prospects of the future. The special difficulties with which Indian finance has to contend are, War, Famine, the fall in Exchange, and the reduction of the revenue from opium. On the question of war I can say little; petty frontier wars are almost certain to occur at intervals, but their cost is not such as to seriously embarrass the finances. I am not aware of any reasons for thinking that war on a large scale is likely to occur in the immediate future, but

but expenditure must be incurred as an insurance against national danger. The country has happily escaped famine for a decade, but we have no ground for assuming that the climatic conditions of the Indian continent have changed, and that there will never be drought sufficient to produce famine.

66. Regarding the future of Exchange, it is impossible to give a confident opinion. Before the year 1873, gold and silver were never used as legal standards without the regulating influence of a system of double legal tender, and there is consequently no experience in the past to which we can appeal in forming our opinion as to the probable course of events in the future. The sanguine declare the rupee will soon be worth two shillings; the despondent anticipate a further fall of undefined magnitude.

I cannot pretend to arbitrate between these conflicting views. But during the last 15 years the great falls in the value of the rupee have coincided, to an extent which can hardly be the result of accident, with corresponding falls in the gold prices of commodities. If this law should hold good in the future, the gold value of the rupee will not again fall largely and suddenly unless the gold prices of commodities fall.

I will venture to depart so far from the safe attitude of reserve, as to say that, if there is another heavy fall in gold prices, it will probably be accompanied by another heavy fall in the gold price of silver. At present gold prices have ceased to fall, and there is even a slight tendency to a rise.

67. It is needless to say that the question of the future relations between the gold and silver standards is one of great importance for India. The present condition is not one of permanent equilibrium. Either there will be continuous progress in the direction of demonetising silver and substituting gold, or the world will revert to the old system of double legal tender. In the former case our financial difficulties will probably be greater in the future than they have been in the past, and it is impossible to forecast the ultimate result; in the latter case we may have to pass through a severe convulsion caused by foreign nations attempting to restore the old ratio of 1 to 15½ between gold and silver. If we are unable to join with them in attempting to settle the question by international agreement, we cannot expect them to consider our interests in any course which they may think fit to adopt.

In the interests of India a sudden reversion to the old ratio of 1 to 15½, brought about by the action of foreign countries, and the continuous and progressive demonetisation of silver, accompanied with a fall in the value of the rupee to an unknown and unlimited extent, are alike to be deprecated. Yet, if the question is not dealt with by international agreement, we must accept the risks and inconveniences of either the one result or the other, unless we are prepared to choose the heroic and hazardous remedy of adopting a gold standard. Nor is it possible for us to conjecture at what time the action of the United States and the Continental nations of Europe may bring on a crisis either of the one kind or the other.

For these reasons it is of paramount importance to India that an attempt to settle the question by international agreement should be made. No other course affords a prospect of a safe solution to be gradually carried out with the minimum of disturbance to existing interests. It is to be hoped that, if any prospect of a settlement appears, India shall not be required to subordinate her interests to the needs, or supposed needs, of countries which may desire to maintain the single gold standard.

68. The future of the Opium Revenue is surrounded with almost as much uncertainty as the question of Exchange. There has been, during the current financial year, a considerable rise in the price of the Bengal drug, but that rise appears to have been due, in a very large degree, to poor crops in Malwa and China, and has been accompanied with a large falling-off in the exports of Malwa opium.

Already the price of Bengal opium has fallen from its highest figure of 1,244 rupees a chest in November to 1,126 rupees a chest at the sales of the present month

69. The dangers I have just indicated are of a general nature. We must also anticipate some falling-off in revenue in the immediate future from two special causes. As I have explained elsewhere, we expect to receive in the coming

coming year a contribution of Rx. 740,000 from Local Governments. Of this amount, Rx. 250,000 is permanent, being made up of Rx. 200,000 from the Patwari cess and about Rx. 50,000 from Lower Burma. The balance of Rx. 490,000 we receive for a single year only, and, unless other arrangements can be made, we must be prepared to accept a reduction of Rx. 490,000 in the Estimates of 1890–91. There is also a credit of Rx. 527,300 arising from receipts on account of exchange on the capital transactions of railway companies. This credit must soon disappear, with a corresponding reduction in revenue. It may then be said that temporary causes give us an additional revenue of Rx. 1,017,300 in 1889-90, which is not permanent, and which will be largely reduced in future years, and will ultimately disappear altogether.

70. But I should give a very erroneous opinion of our position if I were to dwell only on the difficulties and dangers of the future. There are hopeful as well as discouraging elements, and I may say at once that, in my judgment, there are no grounds for a despairing or pessimistic view of Indian finance. If we could get rid of the exchange difficulty, I should be prepared to adopt a hopeful view of the future, and, if there were in addition no risk of a great war, I should look forward to our progress in coming years with as much confidence as it is ever safe to feel in financial matters.

71. Among the more encouraging features in Indian finance is the elasticity of the ordinary revenue. It is true that we have not many new sources of revenue open to us, but the receipts from existing sources grow with satisfactory rapidity. The figures which I have given in comparing the Budget Estimates of 1888-89 with the Budget Estimates of 1889-90 have made this point sufficiently clear, and I need not add anything more on the subject.

72. In Upper Burma, too, we appear to have turned the corner and may now look forward to steady reduction of the net charge which that Province imposes on the finances.

The account for Upper Burma stood as follows in the Estimates of 1888-89:—

	Rx.		Rx.
Revenues - - - - -	547,000	Civil Expenditure:—	
		Police - - - -	732,000
		Other Departments - -	339,000
		Military Works - - -	190,000
		Civil Works - - - -	314,000
		Irrigation - - - -	23,000
		Army Special Expenditure -	824,000
		Total - - -	2,422,000

The net charge was Rx. 1,875,000.

In the Estimates of 1889–90 the account of Upper Burma stands thus:—

	Rx.		Rx.
Revenues:—		Civil Expenditure:—	
State Railways - - -	115,000	Police - - - -	868,200
Other Revenues - -	755,200	Other Departments - -	366,400
		Railways (including Interest on Railway Capital) - -	192,800
		Military Works - - -	150,000
		Civil Works - - - -	298,100
		Irrigation - - - -	20,000
		Army Special Expenditure -	600,000
Total - - -	870,200	Total - - -	2,495,500

The net charge is Rx. 1,625,300.

A net

A net improvement of Rx. 249,700 in a single year is an encouraging symptom, especially as there is every ground for supposing that the improvement will continue. The improvement is really greater by Rx. 77,800, as the account now presented includes a net charge of Rx. 77,800 on account of railways, which is not charged in the Estimates of 1888–89, and which we may hope will very soon disappear.

73. It should also be recollected that in recent years we have had to bear the burden of a considerable increase to the Native and European Army. That increase has been completed and its cost provided for, with the exception of the expenditure on the reserve for the Native Army, which will not be great.

Heavy expenditure has also been incurred on frontier railways. The total estimated cost of these railways is Rx. 13,410,700, of which Rx. 10,083,300 will have been met at the end of this month, and Rx. 1,191,800 is provided for in the Estimates of 1889–90, leaving only Rx. 2,135,600 for future years.

74. We have also been carrying out an extensive scheme of coast and frontier defences, estimated to cost Rx. 5,449,515 (which is charged against revenue), of which Rx. 1,850,768 will have been expended by the end of this year, and Rx. 1,102,900 is provided for in the Estimates of the coming year, leaving Rx. 2,495,847 to be incurred in subsequent years. There are also special charges in the Estimates for next year of Rx. 110,000 for the Sikkim and Lushai Expeditions, Rx. 203,500 for thoroughly equipping at least one army corps with transport, and Rx. 301,800 on account of magazine rifles and 12-pounder breech-loading guns. The former charge will not recur, and, though considerable expenditure may be necessary for a time on account of rifles and guns, the charge is not a permanent one.

75. It would be rash to assume that we are able to foresee the end of all special military expenditure. In such matters there is no finality; new dangers may arise involving further preparations and additional expenditure, but the figures I have given are sufficient to show that the sacrifices which the country has been called on to make in recent years have not been in vain; that the original programme of military defences is approaching completion, and that there is at least some prospect of a material alleviation of existing burdens within the next few years.

76. The improvement of means of communication by the opening out of railways is exercising a marked beneficial influence on the country, and India is entering on what I hope may prove to be but the beginning of a prosperous industrial career. No better example of the change that is taking place can be found than the progress of the cotton-spinning industries.

In 1880-81 there were 13,307 looms and 1,470,830 spindles at work, employing 39,537 people. In 1887-88 there are no less than 18,840 looms and 2,375,739 spindles and 80,515 people at work.

The exports of Indian yarn and cotton cloth were valued at Rx. 1,909,134 in 1880–81. In 1887–88 they came to Rx. 5,227,928, and the returns of the current year show still further progress.

These are results of which India may well be proud; they have been achieved without the fostering aid of protective tariffs, or any special assistance from Government, and are due to the patient industry and intelligence of the Indian people, and to the enterprise of her capitalists, who have begun to avail themselves of the natural advantages of the country; under these circumstances it may confidently be anticipated that the ground that has been gained will be maintained, and that still greater progress will be made in the future.

Nor does there seem to be any good reason why India should not very shortly undertake the manufacture of iron and steel on a large scale with success.

77. I have tried to state fairly both the probable difficulties of the future, and the reasons that exist for holding that we shall be able to encounter them successfully, and my deliberate conclusion is that, while there is every need for economy and for husbanding our revenue, there is no ground for despondent or pessimistic views. Unless some unforeseen disaster occurs, there is every reason to hope that the lapse of two or three years will show a decided im-

provement in the financial position of the Government of India. It is true that the surplus which we have been able to show in the Estimates of the coming year is little more than nominal, only Rx. 106,300, but the Estimates have been framed with great moderation, and, if the Indian revenues continue to exhibit their usual elasticity, and no unforeseen disaster occurs, I anticipate that the Financial Statement of 1890-91 will show decided improvement.

SECTION VI.—FALLING-OFF IN THE REVENUE FROM SALT.

78. As a preliminary step in dealing with the question of the causes of the falling-off in the salt revenue during the current year, I wish to point out that the quantity of salt paying duty in any year is not a perfect test of the quantity of salt actually consumed in that year by the people. There is always a large amount of salt in the hands of dealers, and a falling-off in any one year in the quantity of salt paying duty may represent a reduction in the quantity of salt in the hands of dealers, and not a reduction in the quantity of salt actually consumed. It would be rash to jump to the conclusion that a reduction in the quantity of salt paying duty necessarily represents an equivalent reduction in the quantity of salt actually consumed.

It will also be convenient to treat Burma separately from the rest of India, as that province has been subject to special conditions.

The consumption of salt (using consumption in the sense of the quantity on which duty was paid) has been as follows since 1882-83, excluding Burma :—

	Maunds.
1882-83	28,720,000
1883-84	29,338,000
1884-85	31,348,000
1885-86	30,606,000
1886-87	32,200,000
1887-88	31,186,000

In 1884-85 the recorded consumption increased by 2,010,000 maunds, or 6·8 per cent.

In 1885-86 there was a falling-off of 742,000, or nearly 2·4 per cent.

There is no ground for assuming that in 1884-85 there was anything approaching to an increase of 6·8 per cent. in the quantity of salt actually consumed by the population, and there is just as little ground for supposing that in 1885-86 there was a falling-off in the real consumption of 2·4 per cent.

These variations were due entirely, or almost entirely, to trade fluctuations, and the actual consumption of salt in 1884-85 per head of population was probably not, in any considerable degree, higher than in 1883-84, and was not lower in 1885-86 than in 1884-85. I state these figures in order to show that an increase or decrease in the quantity of salt that pays duty in any one year does not necessarily indicate a corresponding increase or decrease in the quantity actually consumed.

79. Opinions vary as to the effect on the real consumption of a rise of duty. Some authorities hold that it has very little effect; others that it has a considerable effect. Experience seems to show that the truth lies between the two opinions, and that a rise in the rate of duty has an appreciable, but not a very great, effect on the real consumption. But a rise in duty may have a considerable temporary effect on the trade, and on the quantity of salt on which duty is paid, especially when rumours prevail that the rise in duty is not likely to be permanent.

80. The raising of the rate of duty in January 1888 was followed by reduced issues, and rumours regarding an impending reduction of the duty have had an unfavourable effect on the trade during 1888-89. In Northern India persistent rumours have prevailed of an impending change, and it was believed that the rise in the rate of exchange which took place in January 1889 would so improve the position of the Government of India as to lead to the reduction of the duty. These rumours have had the effect of checking issues and causing traders to keep their stocks at a minimum. No trader was willing to pay a duty

of

of Rs. 2. 8. a maund on salt so long as it was expected that the duty would be shortly reduced.

This state of affairs was accentuated and brought to a crisis by a telegram sent by Reuter's Agency on the 1st of March, and published in the Indian newspapers of the following day. The telegram stated that the Secretary of State for India, speaking on 28th February, had said that "he was convinced that the earliest occasion should be taken to abrogate the increase in the salt tax."

The telegram was published on a Saturday. On the following Monday sales of salt in Bombay began to fall off, and by Tuesday they had practically ceased. On that day only one application was received for the removal of 267 maunds of salt. The salt merchants applied to the departmental officials, stating that trade was paralysed, and inquiring whether it was true that the duty was to be reduced. On the 5th of March one firm telegraphed direct to the Government of India in the same sense.

On the 9th and 10th of March the Government of Bombay drew attention to the disturbance to the trade, and on the 12th the Accountant General telegraphed that the estimate of salt receipts must be reduced, for that province alone, by nearly 16 lakhs of rupees, as salt sales had ceased since the 4th of March.

The Commissioner of Northern India Salt Revenue telegraphed on the evening of 15th, as follows:—

"Trade is disturbed by telegram published locally on 2nd instant: Lord Cross's opinion regarding salt duty understood to mean that reduction is imminent. Collections fell from average Rs. 55,000, to under Rs. 1,000 daily from 4th to 11th. In consequence of the contradiction published on 12th trade is since recovering. Collections on 12th were Rs. 16,000, on 13th Rs. 38,000. Progress is watched."

The recent news is more favourable, as the rumours of an intention to reduce the duty have been contradicted through the agency of the press. But the magnitude of the effect of these rumours on the revenue will be understood when I explain that at the end of February the estimate of salt revenue for the current year was Rx. 7,840,700, whereas it is now taken at Rx. 7,676,900, a reduction of more than 16 lakhs of rupees. No doubt this amount will be to a very great extent recovered, but probably too late to materially affect the revenue of 1888-89

81. There have been other causes also at work which unfavourably affected the salt revenue. In Calcutta the trade was greatly disorganised after the increase of the duty, and the price of salt (free of duty) rose from 11·5 annas a maund in December 1887 to 28·3 annas a maund in February 1888, but has since fallen to 14·6 annas a maund in February 1889.

In Madras, where the Government was giving up its monopoly of manufacture, the manufacturers and traders secured something like a monopoly for themselves, with the natural result of raising the price to the public. The salt revenue of the year has also been adversely affected by the want of rain, and prospects of a bad harvest in certain tracts. I mention these facts, not with the view of showing that the increase of the salt duty can have no effect on the consumption, because I cannot believe that an increase of 25 per cent. should not have some effect, but in order to make it clear that there is as yet no ground for assuming that the falling-off in the issues of salt which has occurred is permanent, and due to the increased cost which the public have to pay for that article. The publication of the present Financial Statement will dissipate the fears of an immediate reduction of the salt duty, and we shall doubtless see an increase of the issues.

82. The following figures, giving the total quantity of salt on which duty was paid from the beginning of the financial year to 22nd February for a series of years, show the amount of falling-off in the current year (Burma excluded):—

	Maunds.
1882-83	25,068,000
1883-84	25,832,000
1884-85	27,093,000
1885-86	26,714,000
1886-87	27,603,000
1887-88	27,847,000
1888-89	26,797,000

These figures show distinctly that there had been a considerable falling-off before Reuter's telegram was received, but the quantity that paid duty up to 22nd February in the current year is larger than the quantity which paid duty in any year previous to 1886-67 except one, and is 1,729,000 maunds, or 6·9 per cent. in excess of the quantity that paid duty in 1882-83, the first year after the duty was reduced. Even allowing for increase of population, the issues of salt in the current year to 22nd February last are sufficient to provide as large a quantity of salt per head of population as in 1882-83.

83. In Lower Burma there has been a great falling-off in the quantity of salt that paid duty in 1888-89, but that falling-off is mainly due to the excessive imports of the preceding year.

The following figures show the quantity of salt that paid duty every year up to 22nd February for a series of years :—

	Maunds.
1881-82 - - - - - - - -	973,000
1882-83 - - - - - - - -	972,000
1883-84 - - - - - - - -	1,152,000
1884-85 - - - - - - - -	1,562,000
1885-86 - - - - - - - -	930,000
1886-87 - - - - - - - -	1,160,000
1887-88 - - - - - - - -	1,841,000
1888-89 - - - - - - - -	235,000

The falling-off in 1888-89, which seems excessive at first sight, is explained by the great imports of 1887-88, the average for the two years being not much below the normal quantity.

Salt is locally manufactured on the sea coast in Burma, and there is a certain amount produced from brine wells in Upper Burma. The local manufacture is, from the nature of the case, insufficiently supervised, and an experienced officer of the Northern India Salt Department has just been deputed to Burma by the Government of India to inquire into the whole question on the spot. It is said that the increase in the rate of duty on salt interferes to some extent with the local production of *ngapi* and salted fish, and has led to an increased import of salt fish from abroad. The facts are, however, obscure, and a final opinion cannot be formed until the report of the officer specially deputed to Burma has been received.

Section VII.—Excise Policy.

84. I take this opportunity of correcting a misapprehension which has arisen in some quarters regarding the policy of the Government of India in connection with the excise revenue. Last year Mr. Westland used the following language in the Legislative Council :—

"I look hopefully to a considerable increase in the excise revenues, and believe that a great deal might be done in Northern India by the introduction of the methods which, in Bombay and Madras, have so powerfully contributed to the increase of revenue under this head."

With reference to this language it has been alleged that Mr. Westland expressed gratification at the prospect of an increase in drinking among the Indian population, on account of the increased revenue which such a change in the habits of the people would produce. I make no insinuation of wilful misrepresentation against those who have brought this charge, nor do I say that they acted otherwise than in good faith, and yet the charge is absolutely without foundation. Mr. Westland used the language which I have quoted in the Legislative Council of the Government of India, and in the presence of the Members of that Council. His remarks passed without challenge. Is it conceivable that, if he had meant, or been understood to mean, that the people of India should be encouraged to drink in order that the revenues of the Government of India might grow, there would have been found not a single Member of that Council, official or non-official, to protest against the adoption of such a policy?

85. Less than two months afterwards the Financial Statement for 1888–89 was published under Mr. Westland's signature, and in that statement he used language which puts his meaning beyond the reach of cavil. The words he used were as follows :—

"As regards Excise it will be seen that it is in Madras and Bombay that the revenue administration has been most successful, as these two provinces with 31 and 16½ millions of inhabitants respectively produce a revenue nearly as large as that of Bengal with 69 millions. In fact, in both these Provinces a very remarkable progress has been made. The whole system of distillation has been brought more thoroughly under control, and stricter and more methodical preventive measures have enabled the Government to greatly enhance the rate of duty: for the question of the rate of duty which it is possible to levy, is simply the question of the prevention of illicit distillation."

Mr. Westland's expectation was that, by the prevention of illicit dealings, it would be possible to raise a larger revenue, the increase of revenue being accompanied not by an increase of, but by a check on, drinking. To show that there really was, and is, extensive smuggling in Northern India, I will quote a passage from the report of the Financial Commissioner of the Punjab, who is now the Lieutenant Governor of that Province, for the year 1881-82 :—

"Mr. Hawkins, the Deputy Commissioner of Amritsar, says: 'There were 12 cases of illicit distillation. It is notorious that there are few villages in this district which have no private stills of their own. The police are constantly finding pieces of stills and jars of materials in deserted houses while searching for other property.' The Lahore District has also a bad reputation in this respect. The Deputy Commissioner of Jullunder, Mr. Bullock, writes: 'Illicit distillation is of very general occurrence throughout the district. Twenty-four cases have been detected, and it is to be hoped that some check will be found to have been given to the system, which, however, we can never expect wholly to extirpate.'

"In Hoshiarpur the khansama of a dâk Bungalow was found to possess a still, and there were three cases in which villagers were convicted of the same offence. Sirdar Gurdayal Singh, the Assistant Commissioner in charge of Excise, says that illicit distillation is carried on in some villages of the Gurshankar Tahsil. He adds: 'These cases of illicit distillation it is very difficult to detect and to prove. Generally they distil during the night and keep good watch all round. In one village, it is said, they distil the wine on the banks of the Bein stream, and, whenever their sentinels espy any stranger approaching the place, they throw down all the materials, &c., into the stream, and leave no trace behind. But it prevails only in villages where the inhabitants are united and have confidence in each other.'

"The Deputy Commissioner of Jhang, Mr. Macauliffe, strongly suspected the existence of the practice among powerful zemindars living in remote jungle villages. Whenever liquor shops in Native States are situated close to our border, it is a common practice for our villagers to resort to them, and they often bring back small quantities of spirits for their own use and that of their friends. Even when the Sadr distillery system has been adopted at the request of our Government in independent states the price of liquor is far less than in our own territory. This must be due to lower rates of still-head duty. The Assistant Commissioner in charge of excise at Sirsa, Mr. Kennedy, says—'In Patiala spirits are sold at about eight annas a bottle, not differing much in quality from the Sirsa spirits at 1 rupee 8 annas a bottle. The only hope of grappling with the existing evil is to lower the price of Sirsa spirits so as to bring them into competition with the Patiala spirits. Any other method is impracticable. The Sikh Jats will drink; and we cannot wean them from the practice by making the cost of liquor high; the only effect of this is to demoralise them by leading to a continual evasion of the law without any corresponding benefit in increased sobriety."

"There is probably some exaggeration here. Mr. Lyall is inclined to believe that the dearness of lawfully-distilled liquor had led to a decrease in drinking among the Sikh population, but to an increased use of opium and perhaps also of bhang."

The Lieutenant-Governor, before whom this Report was placed, was Sir Charles Aitchison, who throughout his whole service had striven to reduce the consumption of liquor and drugs, and the following passage will show the views which he then entertained :—

"In paragraph 15 of the Report, the Financial Commissioner has dwelt on the loss caused to the Excise revenue by illicit distillation and by the smuggling of country spirits into British districts from Native States. It is no doubt difficult, if not impossible, entirely to put an end to the latter practice, though the chief Native States of the Province have, at the request of the Punjab Government, accepted the system of Sadr distilleries, to the restriction, it is believed, of smuggling, at least in some degree. But, as regards the former evil, His Honour cannot consider it creditable to the magistracy of the Province that the unlawful manufacture of spirits should prevail unchecked and unpunished to the extent alleged."

86. The state of things which these extracts show to have existed in the Punjab in 1881–82 is the state of things which has continued to exist up to the present time.

In May 1887 the following opinion was expressed by a Punjab officer :—

"The Excise Department in this Province has never been properly supervised and controlled, for the simple reason that the Department has never had a responsible head, and has been left to take care of itself with such perfunctory attention as district officers have been able to pay to it. I can speak on this point from 24 years of district experience in various parts of the Province. The extent to which country spirit is illicitly manufactured and sold is enormous, and the quantity so disposed of is in my opinion as large as that which is lawfully sold; and the Excise revenue is therefore much smaller than it would be if the Department were carefully controlled."

It is right that I should mention that the Financial Commissioner did not accept these remarks in their entirety. He remarked that the "description of Excise management in the Punjab must, in the absence of specific evidence, be regarded as exaggerated," but no authority, so far as I am aware, has ever denied that there was, and is, a very great amount of smuggling and of illicit distillation in that Province.

87. I have now shown that, when Mr. Westland, speaking on behalf of the Government of India, anticipated an increase of Excise revenue in Northern India, he based his expectation of an increase, not on the possibility of being able to increase the consumption of liquor and drugs, but on the prospect of being able to increase the revenue by means of a stricter control and the suppression of illicit practices. I shall show by one or two instances that the policy which Mr. Westland favoured had already proved a marked success in other Provinces, both in respect of checking consumption and increasing the revenue.

From 1st October 1884 a new system of Excise Administration was introduced into a portion of the Madras Presidency. The change in system resulted in a rise in the price of country liquor, varing from 8 annas to one rupee per gallon.

For five years the consumption of spirits and the revenue in the districts where the manufacture is centralised in large distilleries were as follows :—

	Consumption in Gallons reduced to 30° under Proof.	Revenue.
	P.	Rx.
1883–84	1,204,241	280,977
1884–85	Year of transition.	
1885–86	1,014,566	347,526
1886–87	1,084,474	380,213
1887–88	1,270,146	415,319

The average annual consumption of the three years of the new system is less than the consumption of the last year of the old system by more than 6 per cent., while simultaneously the average annual revenue increased by more than 35 per cent. These figures show conclusively that a large increase of Excise revenue is not necessarily attended with an increase of consumption, and may coincide with a positive decrease.

88. A still more remarkable illustration of the possibility of increasing the Excise revenue while diminishing the consumption is afforded by the statistics of the consumption of ganja in Bengal. Ganja is probably the most pernicious of all drugs in common use, and the Government has never felt any hesitation in increasing the rate of duty leviable on it.

The

The following statement shows the number of shops licensed for the sale of ganja, the quantity of ganja consumed, the total revenue, and the incidence of taxation per seer, for every year from 1868-69 to 1887-88:—

	No. of Shops.	Consumption.	Total Revenue.	Taxation per seer.
		Mds.	Rx.	R.
1868-69	4,073	8,442	89,524	2·6
1869-70	4,437	8,667	92,521	2·6
1870-71	4,749	9,682	103,251	2·6
1871-72	4,934	9,972	106,275	2·6
1872-73	4,694	8,593	110,028	3·2
1873-74	4,398	8,125	107,785	3·3
1874-75	4,394	7,830	105,818	3·3
1875-76	3,340	7,389	112,035	3·7
1876-77	3,130	7,458	119,711	4·0
1877-78	3,247	8,197	138,566	4·2
1878-79	3,244	5,460	134,555	6·1
1879-80	3,210	5,137	129,016	6·2
1880-81	3,411	5,600	145,467	6·4
1881-82	3,488	6,431	171,379	6·6
1882-83	3,271	5,646	186,050	8·2
1883-84	3,298	5,881	197,371	8·3
1884-85	3,196	5,798	198,760	9·0
1885-86	3,033	5,717	194,662	8·5
1886-87	3,046	6,264	207,567	8·2
1887-88	2,949	6,550	224,497	8·5

Notwithstanding the large increase of population which must have taken place between 1868-69 and 1887-88, the number of shops for the sale of ganja has decreased by more than 27 per cent., and the consumption by more than 22 per cent., while simultaneously the revenue has increased by more than 150 per cent., and the incidence of taxation per seer has increased by more than 226 per cent. These figures may be left to speak for themselves. The reduction during the same period in the number of shops for the sale of opium and in the quantity of opium consumed is even more remarkable than in the case of ganja, but there has not been the same increase of revenue, mainly, I believe, because opium smuggling prevails extensively.

89. In mentioning this subject, my object has been to defend my predecessor against the charge which has been brought against him, and indirectly against the Government of India, of encouraging intemperance for the sake of revenue, and it must not be supposed that I have been dealing with the whole Excise system of India, or that I intend to assert that that administration has been as successful in every instance as in the cases which I have quoted.

Section VIII.—WAYS AND MEANS—HOME TREASURY.

90. The Secretary of State's Revised and Budget Estimates of the transactions at the Home Treasury for 1888-89 compare as follows:—

Net Receipts.	Budget. £.	Revised. £.
Council Bills	14,000,000	14,310,100
Receipts from railway companies for capital expenditure	5,667,800	2,545,100
Deposits and advances	4,500	800
Permanent debt—India 3½ per cent. stock issued for the discharge of a like amount of 4 per cent. stock	-	4,030,700
Three per cent. stock issued for purchase of the Oudh and Rohilkhand Railway, and the discharge of its debentures as they fell due	-	6,921,000
Debentures and Debenture stock taken over by the Secretary of State	-	3,415,000
Add Opening Balance	5,614,329	5,900,697
Total £.	25,286,629	37,123,397

	Budget.	Revised.
Net Outgoings.	£.	£.
Excess of expenditure over revenue - - - -	15,028,700	14,714,300
Capital expenditure of Government in England - -	973,000	792,200
Issues to railway companies for expenditure - - -	5,915,300	2,550,000
Capital charge involved in redemption of liabilities:		
Purchase of the Oudh and Rohilkhand Railway -	- - -	10,336,000
Permanent Debt—Discharge of 4 per cent. stock - -	- - -	3,730,700
On account of remittances from India - - - -	1,091,200	1,150,400
Add Closing Balance - - - - - - -	2,278,429	3,849,797
TOTAL - - - £.	25,286,629	37,123,397

The most important variations from the Budget Estimate have occurred in the transactions connected with the discharge of the 4 per cent. stock remaining unconverted in October 1888, and the purchase of the Oudh and Rohilkhand Railway. These are explained below.

CONVERSION OF 4 PER CENT. INTO 3½ PER CENT. STOCK.

91. It was explained in the last Financial Statement that the terms offered by the Secretary of State for conversion of the 4 per cent. into 3½ per cent. stock were accepted by a majority of the holders. Out of a total 4 per cent. stock of 53,261,820 *l.*, only 4,030,700 *l.* remained to be paid off in October 1888. For the discharge of this sum 3½ per cent. stock for an equal amount was issued at par, but it is believed that the whole of the outstanding stock will not be presented for payment during the current year, and that 300,000 *l.* will remain unclaimed until 1889-90. No entries were made in the Budget Estimates of the current year on account of these transactions, as it could not be foreseen how much of the stock would remain unconverted.

PURCHASE OF THE OUDH AND ROHILKHAND RAILWAY.

92. No provision was made in the Budget Estimate on account of the purchase of the Oudh and Rohilkhand Railway, as the nature of the offer to be made to the Company had not been determined at the time. The terms upon which the purchase has been made are, briefly, that the Company has been paid 125 *l.* 18 *s.* 0¼ *d.* for every 100 *l.* of its share capital, and that out of a total amount of 5,300,000 *l.* of debentures and debenture stock issued by the Company, debentures for 1,885,000 *l.*, which fell due during the current year, have been discharged by the Secretary of State, and the liability for debentures and debenture stock for 3,415,000 *l.* has been accepted by him. The total amount required for the purchase of the railway and the discharge of the debentures was 6,921,000 *l.*, which was raised by the Secretary of State by the issue of 7,206,531 *l.* of 3 per cent. stock.

AIDED RAILWAY COMPANIES.

93. The variations in the transactions of the Railway Companies will appear from the following figures:—

Receipts from	Budget.	Revised.
STATE—		
On account of subscribed capital—	£.	£.
Bengal-Nagpur Railway - - -	1,032,700	513,500
Indian Midland Railway - - -	1,121,100	2,022,800
Southern Mahratta Railway - - -	500,000	- -
Miscellaneous Receipts - - -	- -	3,100
GUARANTEED—		
For discharge of debentures—		
Great Indian Peninsula Railway - -	1,069,000	- -
Madras Railway - - - - - -	60,000	- -
Oudh and Rohilkhand Railway - -	1,885,000	- -
Miscellaneous Receipts - - - -	- -	5,700
TOTAL - - -	5,667,800	2,545,100

Issues to	Budget.	Revised.
STATE—		
On account of stores, establishment charges, &c.—	£.	£.
Bengal-Nagpur Railway	871,000	892,900
Bengal Central Railway	2,000	2,000
Indian Midland Railway	635,000	421,000
Southern Mahratta Railway	241,000	214,600
GUARANTEED—		
For discharge of debentures—		
Great Indian Peninsula Railway	1,069,000	200
Madras Railway	60,000	- -
Oudh and Rohilkhand Railway	1,885,000	- -
On account of stores, &c.	1,152,300	1,019,300
TOTAL	5,915,300	2,550,000

In the Budget Estimate it was anticipated that the debentures of the Oudh and Rohilkhand, Great Indian Peninsula, and Madras Railway Companies, falling due in the current year, would be discharged by the Companies by raising fresh capital. In the case of the Great Indian Peninsula and Madras Railway Companies the debentures were, however, renewed, and the Oudh and Rohilkhand Railway debentures were, as mentioned above, discharged by the Secretary of State by the issue of India 3 per cent. stock. The additional capital expected to be raised by the Indian Midland Railway Company is mainly owing to the transfer to the Company of the Sindia Railway, as the Company has to repay the Government the capital cost of the line.

94. The following is the Secretary of State's Budget Estimate of Ways and Means for 1889-90, made up in the same form as above :—

Net Receipts.	£.
Council Bills	14,689,900
Permanent Debt for advances to companies	3,750,000
Receipts from railway companies	515,000
Add Opening Balance	3,849,797
TOTAL	22,804,697
Net Outgoings.	
Excess of expenditure over revenue	14,956,100
Capital expenditure of Government in England	1,273,000
Permanent Debt—Discharge of 4 per cent. stock	300,000
Issues to railway companies for expenditure	3,056,700
Deposits and advances	2,700
On account of remittances from India	1,069,500
Add Closing Balance	2,146,697
TOTAL	22,804,697

95. By the Oudh and Rohilkhand Railway Purchase Act, the Secretary of State has been authorised to raise in London, in addition to the amount required for the purchase of the Oudh and Rohilkhand Railway, further amounts up to a limit of 10,000,000 *l.* for the purpose of advancing funds to railway companies, when it may seem more economical to do so, than to authorise them to raise debenture capital under his guarantee. The exercise of this power forms the most important feature of the Secretary of State's Ways and Means Estimates of next year. The total capital required to meet outlay in England and India by the aided railway companies will be 3,750,000 *l.* in addition to the balances at their credit, and the whole of this will be raised by the Secretary of State by a sterling loan. The Secretary of State also proposes to draw

14,689,900 *l.* of Council Bills during the year. It should be fully understood that, in stating these as the present intentions of the Secretary of State, no sort of pledge is given that he will adhere to the programme thus explained, and he will be absolutely at liberty to raise the money by bills or by loans from time to time as he deems expedient.

SECTION IX.—WAYS AND MEANS—INDIA, 1888-89.

96. The following figures compare the Budget Estimate of Ways and Means of 1888-89 with the Revised Estimates :—

	Budget.	Revised.
NET RECEIPTS.	Rx.	Rx.
1. Excess of revenue in India over the expenditure charged against it	20,642,800	21,354,600
2. Public Loan	3,000,000	2,777,500
3. Increase of Unfunded Debt—mostly savings banks deposits	845,300	1,043,700
4. *For remittance to Secretary of State*	1,020,700	1,142,200
Add Opening Balance	13,733,100	13,883,701
	39,241,900	40,201,701
NET OUTGOINGS.		
5. Expenditure charged to Provincial Balances	483,600	—203,100
6. Capital Expenditure of Government in India	2,662,800	697,200
7. Loans to Municipalities, &c. (chiefly the Calcutta and Bombay Dock Loans)	486,800	510,900
8. Other Items (*a*)	472,500	811,900
9. *Issues on Capital Account to Railway Companies against receipts in England*	2,895,900	3,345,800
10. Council Bills. *Sterling Account*	14,548,500	15,119,900
11. Ditto Exchange	6,110,400	7,019,100
Add Closing Balance	11,581,400	12,900,001
TOTAL	39,241,900	40,201,701

The transactions recorded in italics are connected with, and explained by, the corresponding figures of the Secretary of State's account in England. The others are purely Indian transactions.

(*a*) The explanation of this is omitted, as it would be of a highly technical character. It arises to a very large extent out of the exchange entries that are necessary in charging off exchange upon the English expenditure and in connection with Railway Companies and other Remittance accounts.

RUPEE LOAN OF 1888-89.

97. By Notification No. 2952, published in the "Gazette of India, Extraordinary," of 2nd June 1888, tenders were invited for a Public Loan of Rx. 3,000,000, the notes issued for this amount to form part of the 4 per cent. Loan of 1865. Tenders were received up to the 3rd July following, on which date they were opened simultaneously at Calcutta, Madras, and Bombay. The total amount tendered was Rx. 7,705,680, and the result was as follows :—

	Rx.
Accepted at minimum rate, viz., Rs. 99–11 (60·45 per cent.)	493,150
Above that rate	2,506,850
TOTAL	3,000,000

The actual amount realised was Rx. 2,993,650, or an average rate of Rs. 99-12-7 per 100 rupees.

The permission to tender at Madras was an innovation intended to satisfy a local demand, and was made use of to some extent; the aggregate value of the tenders at Madras was Rx. 686,000, of which Rx. 82,550 were accepted.

The account in paragraph 96 shows a net receipt on account of Public Loan of Rx. 2,777,500, and not of Rx. 3,000,000. It will be understood that the difference of Rx. 222,500 represents the reduction of debt during the year, in connection with the conversion of the 4½ per cent. Loan of 1870, and payment of Stock Notes and other loans under discharge.

Conversion of 4½ per cent. Loan of 1870.

98. The 4½ per cent. Loan of 1870 matured on the 15th July 1885, and, as 4 per cent. paper was above par in July last, it was determined to convert the Loan into one bearing interest at 4 per cent., and to pay off all Notes which were not converted. It was accordingly notified on the 27th July 1888 that all Notes or Stock Certificates of this Loan would be paid off on the 27th October 1888, on which date the interest on them was to cease. But proprietors of such Notes or Stock Certificates were allowed the option, which had to be exercised before 1st September 1888, of transferring their holdings into the 4 per cent. Transfer Loan of 1865. The terms offered were as follows:—

I.—Payment of Interest at 4½ per cent. to 31st October 1888 inclusive.

II.—Issue of Notes of 4 per cent. Loan of 1865, bearing interest from 1st November 1888.

III.—A further payment of two annas per Rs. 100 in India and of twopence per Rs. 100 in England as brokerage or commission to the persons presenting the Notes for transfer.

These terms were very generally accepted. Rx. 1,490,000 out of Rx. 1,787,540 were at once transferred into the 4 per cent Loan of 1865, and less than Rx. 200,000 have been demanded in cash.

99. In order to distribute the payments for interest more evenly over the year, it was decided in December last to allow transfers from other 4 per cent. Loans to the Loan of 1854-55, of which the dates for payment of interest are 1st January and 1st July. It is expected that this will prove convenient both to the Public Debt Office and to the holders of Stock.

Stock Notes.

100. With the object of affording greater facilities to the public for the investment of small sums at interest, securities termed Stock Notes were issued in 1882 as an experimental measure.

These notes were of four denominations, namely, Rs. 12½, Rs. 25, Rs. 50, and Rs. 100 respectively. They were issued at par, and bore interest at 4 per cent. payable yearly, but were not enfaceable to Europe. After six years' experience it was found that the public would not adopt these securities as a regular form of investment, and it was decided to discontinue their further sale, and to withdraw, as far as possible, those in circulation, amounting to Rx. 162,350, by substituting for them Government Promissory Notes of the 4 per cent. Loan of 1842-43. Accordingly, in August last, orders were issued authorising (1) the payment in cash at par at any Treasury in India of Stock Notes of less value than Rs. 100, and (2) the conversion into Government Promissory Notes of the 4 per cent. Loan of 1842-43 of any amount of Stock Notes tendered in even hundreds of rupees, at a premium of eight annas per cent. (altered to par from 24th January last).

The following amounts of Stock Notes were reported as discharged up to the end of February last, namely:—

	Rs.
Tendered for conversion - - - - - - -	10,68,000
Paid off in cash - - - - - - - - -	3,31,686-8
Total - - -	13,99,686-8

leaving Rs. 2,23,813-8 as the balance outstanding on the 1st March 1889.

Indian Savings Banks.

101. There are two classes of Savings Banks, namely, (*a*) the Presidency and Post Office Banks, which are open to the public, and (*b*) Banks established for the benefit of servants of Government, such as the Railway and Civil Engineers' Provident Institutions and the Regimental Savings Banks.

In class (*a*) there were, on the 31st of March 1888, 300,560 depositors, with an aggregate balance of Rx. 6,217,700 at their credit; and in class (*b*) 31,616 depositors, with Rx. 457,800; making a total of 332,176 depositors, to whom Rx. 6,675,500 were due. Of this amount more than Rx. 5,100,000 had been received from Natives, and the balance from Europeans and Eurasians. In the previous year there were 289,277 depositors in all, with Rx. 5,795,200 at their credit. There was therefore an increase in 1887-88 of 42,899 in the number of depositors and of Rx. 880,300 in the amount deposited in excess of withdrawals. Moreover, in all banks, except the Military ones, the average balance at credit of each depositor was considerably larger than in 1886-87.

The interest paid to depositors in 1887-88 was Rx. 224,049, and only Rx. 196,910 in the previous year.

It is no doubt very satisfactory to be able to point to such evidence of the growing popularity of these banks. But, as facilities for persons residing in the interior of districts for investing money in Government securities have of late years been considerably extended, and as Savings Bank depositors are allowed to purchase and sell these securities through Post Office Banks, and also to deposit them for safe custody, it seemed unnecessary, and, for some reasons, it was certainly undesirable, to maintain the existing high limits for deposits. Accordingly, on the 19th January 1889, orders were issued directing that, with effect from 1st April next, the yearly limits of deposits should be reduced from Rs. 500 to Rs. 200, and the maximum limit for each account from Rs. 3,000 to Rs. 2,000. It has been estimated that the effect of these orders will be to make the net addition to our cash balances in 1889-90 on this account only Rx. 564,500, the corresponding figures in 1887-88 and 1888-89 (Revised Estimate) being Rx. 880,300 and Rx. 981,300.

Capital Expenditure of Government in India.

102. The reduction in the Estimate from Rx. 2,662,800 to Rx. 697,200 is the result, as explained in paragraph 36, of the credits afforded (*a*) by the transfer of the cost of the Sindhia Railway to the Capital Account of the Indian Midland Railway (Rx. 921,000), (*b*) by transfer of the cost of the Katni-Umaria Railway to the Capital Account of the Bengal-Nagpur Railway (Rx. 485,700), (*c*) to a provision of Rx. 200,000 for taking over metre-gauge stock from the Bengal-Nagpur Railway not having been required, as part of the stock has not yet been valued, and the Southern Mahratta Company took over the rest, and (*d*) to various lapses.

Calcutta and Bombay Dock Loans.

103. In the last Financial Statement it was explained for what reasons and under what conditions the Government undertook to raise and advance, to the Port Trustees of Calcutta and Bombay, funds for the construction of the Kidderpore Docks, and for the extension of Prince's Dock.

The advances made on this account by the Government to the Port Trustees of Calcutta and Bombay have been as follows:—

Advances.	Calcutta.	Bombay.
	Rx.	Rx.
Up to the end of 1887-88 - - - - -	860,700	768,400
In 1888-89 (*a*) - - - - - - -	496,800	80,000
Total - - -	1,357,500	848,400

In 1889-90 the Trustees will, it is estimated, require funds to the following extent:—

	Calcutta.	Bombay.
	Rx.	Rx.
	549,000	35,000

Interest

(*a*) Partly estimate.

Interest is payable on all these sums half-yearly, on the 1st May and 1st November of each year, at the rate at which Government borrows money in India in the year in which the advances are made; and the repayment of the principal is secured by a sinking fund of one per cent.

The further amount which the Government will have to advance on these accounts after 1889-90 is estimated at Rx. 426,100.

Issues on Capital Account to Railway Companies.

104. The increase from Rx. 2,895,900 to Rx. 3,345,800 is the net result of over-estimates by the Companies, and of the transfer, as explained above, of the cost of the Sindia Railway to the Capital Account of the Indian Midland Railway, and of the Katni-Umaria Railway to that of the Bengal-Nagpur Railway.

Management of Government Balances.

105. The present year has seen a great scarcity of money in the Indian markets, which has kept the Bank rate at 12 per cent. for a considerable period, and, as usually happens in such cases in this country, the question has been raised whether Government might not in some way come to the assistance of trade.

The scarcity is no doubt owing in part to an early cotton season in Bombay coinciding with a demand for rice in Burma, and other customary requirements at this season; but the root of the difficulty appears to be the doubtful position of silver. But for this, it seems inexplicable that for week after week there should be a difference of 9 per cent. in the rate of money in London and India, and yet that in some weeks the whole amount of bills and transfers offered by the Secretary of State should not be taken up.

106. That so high a rate of interest is prejudicial to trade is obvious, and Government has not been unmindful of the fact. The best way in which Government can assist trade is by providing that the Secretary of State's drawings shall never be curtailed for lack of money to meet them, and in one week demands for bills and telegraph transfers exceeded 77 lakhs. Arrangements are also made to grant telegraph transfers freely at a small charge between the three Presidency towns; and Government, besides keeping up the normal current balances, has further been able to offer to the Presidency Banks at Calcutta and Bombay temporary loans at their own minimum rate of interest, if they cared to avail themselves of the offer.

107. As the Treasury balances are nearly two crores below last year, and in fact lower than they have been for twenty years at this season, all this would scarcely have been possible without the assistance derived from what are called "currency transfers," a system which, while preserving the Reserve of the Paper Currency Department intact for the payment of the currency notes, yet gives the advantage of a large balance that can be made available without the delay of actual remittance, wherever it may be wanted. Thus in the present month the accruing revenue of the opium districts has been allowed to remain in those districts in the charge of a currency agency, an equivalent being immediately released to the Treasury in Calcutta; a fortnight hence this money will be wanted for payments to opium cultivators in the districts, but by that time the Land Revenue from Eastern Bengal will have been received, and, being in like manner made over to the Currency Department, will liberate the coin where it is wanted.

108. The charge that Government does not do all it might to assist trade sometimes takes the form of an assertion that the currency balances should be lent out in a time of pressure. This is, of course, impossible, as the currency balances are pledged by law to secure the convertibility of the currency notes, and can no more be lent to the market than can the gold in the Issue Department of the Bank of England.

109. Another contention is, that the cash balance of the Government of India is too high. Now the question whether the Government cash balance is too high or too low, is one that must be determined by the experience of those

who actually deal with that balance, and are responsible for seeing that there is sufficient money in the Treasury to meet all the claims against Government.

I do not think I exaggerate when I say that every person who has experience of the actual work of dealing with the balances in this country is in favour of rather a high cash balance. The question has been frequently considered both in India and in England, and, though a cash balance of 10 to 13 crores may seem enormous, yet, if we reflect on the special difficulties in the way of suddenly obtaining a large amount of cash in this country, on the sudden and large demands to which Government is exposed, and on the enormous extent of country over which the balance has to be spread, it will easily be recognised that the mere fact of the cash balance being large is no proof that it is larger than is required by the wants of the case.

Some authorities hold that, if anything, the Indian cash balance has been kept somewhat too low in recent years. In that opinion I am inclined to concur. The cash balance of recent years has been low, because the claims against the Government were heavy owing to expenditure of all kinds, and it was thought desirable to avoid borrowing more than was absolutely necessary.

110. I have mentioned the allegations (1), that Government ought to lend out the currency balance, and (2), that Government keeps too high a cash balance, simply in order to clear the ground. There is no force in them, and they could only be made by persons ignorant of the facts of the case. I now come to what is the real question, namely, the expediency of the maintenance of the Reserve Treasuries in the Presidency towns. Should the Government keep the whole of its spare cash in the Presidency Banks, or should it aim at keeping balances of tolerably constant amounts in those Banks, the surplus being kept in the Reserve Treasuries? This is a question which deserves consideration, and on which there may reasonably be a difference of opinion, though I can hold out no hope of any change in the policy of Government in this respect.

The justification for the existence of the Reserve Treasuries is to be found in the special conditions affecting the Indian money market. These special conditions are the liability of that market to extreme pressure at times, the difficulty in adding temporarily to the amount of cash by drawing on other markets, and the magnitude of the cash transactions of the Government as compared with those of the trade. Under the circumstances I have just stated, and looking to the fact that the Government in case of war, famine, or other unexpected cause, is exposed to the risk of having to meet sudden and large demands on it for cash, it was decided by Lord Northbrook's Government that it would be to the interest both of the commercial public and the Government of India that the surplus cash, for the time being, of the Government of India in excess of certain regulated balances in the Presidency Banks and the cash in Mofussil Treasuries, should be kept in Reserve Treasuries.

It was held that, if the whole of the surplus cash was kept in the Presidency Banks, trade would rely on the permanence of the resources thus supplied to it, and that, in case of a sudden demand for cash, the Government of India would either be forced to abandon its right to reduce its balance in the Presidency Banks, or risk producing a financial crisis by suddenly and largely reducing the resources of these Banks.

To show that this is not an imaginary fear, I will quote a telegram received in 1874 from the Government of Bombay:

"Clear the line. You are placing the exchange banks and trade of Bombay in great danger. The eight Exchange Banks are indebted to the Bank of Bombay 68 lakhs of rupees, half payable on demand secured by Government paper, and remainder in February. Their balances for current purposes in the Bank of Bombay are under 20 lakhs of rupees; balance of other customers of Bank of Bombay exceedingly low. Bank of Bombay has to meet Council Bills for 25 lakhs of rupees arrived from England this morning, and similar Bills for 20 lakhs of rupees will shortly arrive. Bills on Calcutta absolutely unsaleable. If you draw more on Bank of Bombay, they must call in the sums due from the Exchange Banks, and there will be a general panic and a serious danger of stoppages."

There was at that time a Government balance of about 100 lakhs in the Bank of Bombay, and the proposed withdrawal, which called forth this startling protest from the Governor of that Province, only came to 35 lakhs. I do not think a stronger argument could be produced to show the dangers that might arise

arise if the Government of India reverted to the old system of keeping all its spare cash in the Presidency Banks. The arguments which weighed with the Government of India in introducing the system of Reserve Treasuries are contained in a Despatch to the Secretary of State, No. 256, dated 30th June 1874; it has been printed in the Appendix to this Statement. It will show that the policy of the establishment of Reserve Treasuries was adopted deliberately, and in order to meet real difficulties.

111. It has been urged that Government could relieve the market by lending out the balance of the Reserve Treasuries on favourable terms to the Banks; but, if this course were followed, the same difficulties that arose when the Presidency Banks held the whole of the surplus balances would again occur. Trade would become accustomed to rely on the resources furnished by the Government, and at a time of pressure the withholding of the assistance usually given by Government might have a very serious effect.

Section X.—WAYS AND MEANS—INDIA, 1889-90.

112. The Ways and Means Estimate of India, made up in the same form as in paragraph 96, is as follows:—

Net Receipts.	Rx.
1. Excess of Revenue in India over the Expenditure charged against it	22,016,900
2. Public Loan	2,500,000
3. Increase of Unfunded Debt—mostly Savings Bank Deposits	629,700
4. *For Remittance to Secretary of State*	1,112,300
Add Opening Balance	12,900,001
Rx.	39,158,901

Net Outgoings.	Rx.
5. Expenditure charged to Provincial Balances	640,800
6. Capital Expenditure of Government in India	2,224,600
7. Loans to Municipalities, &c.	827,700
8. Other items	170,400
9. *Issues on Capital Account to Railway Companies against receipts in England*	1,221,400
10. Council Bills. *Sterling Account*	14,690,900
11. Ditto - - Exchange	6,829,800
Add Closing Balance	12,553,301
Rx.	39,158,901

Proposed Rupee Loan.

113. It is estimated that a loan of Rx. 2,500,000 will be required during the year, but no pledge can be given either as to the amount of the loan or the time when it will be issued, or the conditions which will attach to it. According to the estimates, a loan of Rx. 2,500,000 will give an ample cash balance, and if matters turn out favourably it may not be necessary to borrow so much. We expect, with this assistance, to close 1889-90 with a cash balance of Rx. 12,553,301.

Loans to Municipalities, &c.

114. Before 1888-89 all loans and advances of public money were treated as advances on Imperial account. The loans were made on the advice and through the agency of local governments, and local governments were so far responsible that irrecoverable sums were charged off as provincial expenditure. But they had no concern with the punctual and complete realisation of the interest due on these advances, which was credited as an asset of Imperial revenue. At the instance of the Secretary of State the arrangements were

re-considered, and the occasion was thought appropriate for extending the principle of decentralisation beyond the limits of the Revenue account. The interest received on these loans is almost always higher than that paid by Government on its public loans, and by surrendering this advantage it was obvious that an inducement might be offered to local governments to undertake complete responsibility for the administration of this department of finance. This responsibility was accepted in every case, the necessary arrangements were completed last year, and orders were published in the "Gazette of India" of 5th January 1889.

115. In connection with this subject the question of lending from public funds to municipalities and other public bodies was considered. It was believed from the Secretary of State's observations in a Despatch of September 1887, that, under the arrangements described above, sanction might be given to a relaxation of the restrictive policy which has been followed in this matter since 1876.

116. Experience has shown that the rigid refusal to lend money to small municipalities and local boards has operated unfavourably in delaying and preventing sanitary improvement and reform. It has been found that such bodies cannot raise money in the market, except at high rates of interest; and municipalities have in several cases found it necessary in consequence to abandon, or indefinitely postpone, well-considered schemes of drainage and water supply. The Government of India accepted the Secretary of State's invitation to review the question, and the Secretary of State has, in consideration of the fact that, under the scheme described above, provincial responsibility will be enforced, withdrawn the prohibition.

117. It is not proposed at present to adopt the policy of lending to the Presidency corporations, as they have a public credit of their own, and can borrow, in ordinary cases, in the open market, while the claims on the Government of India are so great that it cannot without difficulty find the neeessary funds. But, in pursuance of the principles enunciated above, local governments have been authorised to grant loans to Mofussil municipalities in future, on the following conditions:—

(1.) Loans may be granted only for works of public and general convenience and utility, such as drainage and waterworks, bridges and the like; and not for works which are merely or mainly ornamental or convenient, such as town halls, public gardens or market places.

(2.) A local body, having borrowed from Government, may not borrow from any other source until it has obtained the sanction of the Local Government concerned, which should not be given until it is clearly shown that the sum lent by Government, with interest thereon, is duly secured.

118. I have stated that the rules regulating the new scheme were published in the "Gazette of India" on 5th January. The demands of Local Governments have since been received. These demands, so far as they relate to advances to cultivators, to embarrassed landed proprietors, and for drainage embankments and the like, have no special interest, as the only change in respect of them is the transfer of administration and responsibility. As regards loans to Mofussil municipalities, the importance attached to the change of policy will be understood, when it is stated that, notwithstanding the short notice given, the applications for loans for municipal sanitary purposes amount to Rx. 254,900, which sum it has been found possible to place at the disposal of Local Governments. The projects comprise schemes of water supply for Allahabad, Agra, Nagpore, Delhi, and Peshawar. Although an important step has now been taken towards facilitating the carrying out of Local Works and Improvements, the large claims on the resources of the Government of India on account of Railway and Irrigation Works will prevent, for the present, any very important extension of the system.

SECTION XI.—SUMMARY.

119. The principal features of this Statement are summarised as follows:—

(*a.*) The Accounts of 1887-88 have closed with a deficit of Rx. 2,028,832, including as expenditure Rx. 456,017 on account of Special Defence Works. Excluding the cost of these works, the deficit was Rx. 1,572,815. This has resulted mainly from a special charge of Rx. 1,059,000 incurred in connection with the conversion of the 4 per Cent. Sterling Stock into 3½ per cent., from heavy military expenditure in Burma, from a fall in exchange, and in the price of opium, and from a reduction in Railway Revenue, counterbalanced by an improvement in Revenue and reduced Expenditure under other heads.

(*b.*) The Revised Estimates of 1888-89 show a deficit of Rx. 201,700, including as expenditure Rx. 818,300 on account of Special Defence Works, and a surplus of Rx. 616,600, if the cost of these works be excluded. Seeing that there has been a further fall in the rate of exchange, which has been taken for the current and coming year at 1 *s.* 4·38 *d.* = 1 rupee, heavy unforeseen expenditure on Military Expeditions, and a decline in the salt revenue owing to persistent rumours of an impending reduction of the duty, the result is satisfactory.

(*c.*) The Budget Estimates for 1889-90 show a surplus of Rx. 106,300, after providing Rx. 1,102,900 for Special Defence Works. If the cost of these works be excluded, there is a surplus of Rx. 1,209,200. Imperial revenues have received a special asset of Rx. 740,000, towards which all Local Governments, except the Punjab, contributed. Of this only Rx. 250,000, most of which represents the proceeds of the re-imposed Patwari Cess in the North-Western Provinces and Oudh, will be permanent, the remainder being a receipt of next year only.

(*d.*) The Capital Expenditure on Railways and Irrigation Works is expected to amount to Rx. 1,857,800 in 1888-89, and Rx. 4,089,500 is provided for 1889-90. The expenditure in 1888-89 is really Rx. 3,264,500, but Rx. 1,406,700 of it has been transferred to the Capital Accounts of the Indian Midland and the Bengal-Nagpur Railways, on account of the cost of the Sindia and Kâtni-Umaria Railways transferred to them.

(*e.*) As regards the general financial position of the Government of India, while there is every need for economy and for husbanding our revenue, there is no ground for desponding or pessimist views. There are probable difficulties in the future, but there are also reasons for holding that we shall be able to encounter them successfully. The Estimates of Revenue for 1889-90 have been framed with moderation.

(*f.*) The Secretary of State proposes to draw, during 1889-90, 14,689,900 *l.* of Council Bills. He also proposes to raise a loan of 3,750,000 *l.* under the Oude and Rohilkhund Railway Purchase Act for the purpose of advancing funds to railway companies.

(*g.*) The Government of India will probably raise a loan of Rx. 2,500,000 in India, of which Rx. 584,000 is required for the Dock Works at Calcutta and Bombay, and Rx. 254,900 for Municipal Water Works, but no pledge can be given either as to the amount of the loan or the time when it will be issued, or the conditions which will attach to it.

Calcutta, 27 March 1889. *D. Barbour.*

APPENDICES.

APPENDIX I.

DESPATCH from the Government of India, to Her Majesty's Secretary of State for India, No. 256, dated 30th June 1874.

WE have postponed consideration of the Bill for the regulation of the Presidency Banks and of the agreements depending upon it, pending receipt of the decision of your Lordship in Council on the question of the agency of the Bank of Bengal in Bombay, in regard to which we forwarded with our Despatch of the 9th January, No. 17, a letter from the Directors of the Bank of Bengal.

2. The strain to which our finances were exposed early this year has given us the advantage of an experience which we had not when the terms of the new agreements were last under our consideration.

3. We have been much impressed with the consideration that the effect of the existing agreements with the banks, which compels us to place all the cash balances belonging to Government in their hands, leads to consequences which may be very inconvenient, if not worse, both to Government and to trade.

4. The only use of these balances to Government is that they may be made available the moment the public service requires them.

5. We have had no difficulty in regard to the balances in the hands of the banks of Bengal and Madras; the Bank of Bombay, however, protested against meeting drafts upon it, and, on the urgent representations of the Governor of Bombay, we were obliged, on the 29th January, to allow a month's time before drawing.

Progs., May 1874, Nos. 33A & 33B.

6. The Bank of Bombay, accustomed to high Government balances, and relying on the maintenance of those balances, had so employed them that they were practically locked up; for, had we insisted on withdrawing them more suddenly, we should have done so in the face of a warning that we should produce a commercial crisis, and therefore for a time the Government balances at Bombay were useless for the purposes of the Government.

7. We think it doubtful, moreover, whether it is any real advantage to trade that large Government balances should be kept in the hands of the banks. It appears to us that an element of uncertainty is thereby introduced into the money market not unlikely to aggravate commercial difficulties at a time of tightness.

8. An amount of capital which is large, relatively to the whole capital engaged in trade at the Presidency towns, is supplied by Government, but Government, for reasons quite unconnected with trade, may have to withdraw these balances suddenly.

In this case a sudden demand ensues for capital to replace that which is thus removed; the rate of discount rises not from any commercial reason, but from the accident of State necessities, and, if this should occur at a time of commercial pressure, it would precipitate a crisis which otherwise might not occur. If Government did not supply this capital to the trade, it would be found by private individuals through banks or in some other way.

9. Had the Government funds in the hands of the banks in January last been limited to a fair working balance, and had we had a reserve in our own hands, we think it may be assumed that the market rise in the rates of discount which has occurred would not have taken place, and our business would have been transacted without disturbing trade operations.

10. The resources of a large money market are not open to us, and we do not think it would be safe to trust to being able to raise funds readily and immediately in India. The amount (350,000 *l.*) that we wanted in January out of our balance of about a million with the bank of Bombay, and the demand for which brought down the remonstrance that we should place in jeopardy the trade of Bombay, cannot be considered as large. Calcutta may have larger resources, but we cannot suppose that even here the supplies immediately available are really considerable.

11. We are of opinion that a Government subject to the contingencies to which the Government of India is exposed ought not to be without a reserve, and that this reserve should be in its own hands.

12. This object might be attained by dissolving our connection with the banks and re-establishing our treasuries. We are unwilling to take this course unless forced to do so: the banks are useful institutions, and the Bank of Bengal especially has upon several occasions been of great assistance to the Government.

13. We should prefer, as an alternative plan, to make a change in the agreements with the banks, so that, instead of giving them the right to hold all the Government balances, the stipulation may be confined to engaging to pay them interest when our balances are reduced below certain amounts.

If it be necessary to go further than this, we might stipulate that the banks should have the use of our balances up to certain limits, after which we should be unfettered as to their employment. The exact sums to be fixed in connection with the proposed stipulations would be settled in communication with the banks.

14. The amount to be kept in reserve need not, in our opinion, be very large, as the main difficulty is one only of time. The sense of security which we should derive from the possession of a reserve of two millions immediately available for any emergency would, in our judgment, amply repay the charge for interest on that amount.

APPENDIX II.

ACCOUNTS AND ESTIMATES.

ACCOUNTS - - - - -	1887-88.
REVISED ESTIMATES - - -	1888-89.
BUDGET ESTIMATES - - -	1889-90.

CONTENTS.

	PAGES
General Statement of the Accounts and Estimates of the Revenue and Expenditure, and Receipts and Disbursements, of the Government of India, in India and in England - - - - - - - - - - - - - - - -	50
A.—Statement of the Revenue of India, in India and in England - - - -	52
B.—Statement of the Expenditure chargeable on the Revenues of India, in India and in England - - - - - - - - - - - - - - -	54
C.—Statement of Receipts and Disbursements other than Revenue and Expenditure of the Government of India, in India and in England - - - - - -	58
D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Contracts - -	60
E.—Statement of Net Revenue and Expenditure, England and India - - -	62

GENERAL STATEMENT of the ACCOUNTS and ESTIMATES of the GOVERNMENT OF INDIA,

	For Detail, *vide* Statement.	RECEIPTS.			
		Accounts, 1887–88.	Budget Estimate, 1888–89.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.
REVENUE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Principal Heads of Revenue:					
Land Revenue	–	23,189,292	23,090,500	23,202,300	23,391,700
Opium	–	8,515,462	8,453,900	8,560,900	8,260,000
Salt	–	6,670,728	8,122,500	7,676,900	8,029,900
Stamps	–	3,876,298	3,854,400	3,932,200	3,959,500
Excise	–	4,534,655	4,609,500	4,705,700	4,727,300
Other Heads	A.	7,994,571	8,081,600	8,319,500	8,575,400
TOTAL, PRINCIPAL HEADS	„	54,781,006	56,212,400	56,397,500	56,943,800
Interest	„	746,555	656,300	838,800	734,200
Post Office, Telegraph, and Mint	„	2,229,546	2,131,300	2,240,400	2,328,700
Receipts by Civil Departments	„	1,495,742	1,424,000	1,480,500	1,464,200
Miscellaneous	„	1,606,108	1,166,200	1,796,500	1,340,300
Railways	„	14,533,360	15,184,700	15,428,000	16,686,500
Irrigation	„	1,714,274	1,758,700	1,838,900	1,889,300
Buildings and Roads	„	592,338	555,100	588,700	603,700
Receipts by Military Departments	„	1,060,815	921,800	976,200	944,600
TOTAL REVENUE	–	**78,759,744**	**80,010,500**	**81,585,500**	**82,935,300**
EXTRAORDINARY RECEIPTS	–	63,690	—	—	—
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net incurred)	C.	5,435,799	2,998,500	13,413,500	5,871,400
Unfunded Debt (net incurred)	„	926,491	845,300	1,043,700	629,700
Deposits and Advances (net)	„	4,827	—	—	—
Loans to Municipalities, Native States, &c. (net Recoveries).	„	—	—	—	—
Remittances (net)	„	—	—	314,500	43,800
Secretary of State's Bills drawn	„	15,358,577	14,000,000	14,310,100	14,689,900
TOTAL RECEIPTS	–	100,549,128	97,854,300	110,667,300	104,170,100
Balance on 1st April—India	–	13,195,785	13,733,085	13,883,701	12,900,001
England	–	5,280,829	5,614,329	5,900,697	3,849,797
GRAND TOTAL	–	119,025,742	117,201,714	130,451,698	120,919,898

Fort William, Department of Finance and Commerce,
27 March 1889.

E. W. Kellner,
Deputy Comptroller General.

REVENUE and EXPENDITURE, and RECEIPTS and DISBURSEMENTS, of the in INDIA and in ENGLAND.

	For Detail, *vide* Statement.	DISBURSEMENTS.			
		Accounts, 1887-88.	Budget Estimate, 1888-89.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.
EXPENDITURE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Direct Demands on the Revenues	B.	9,438,163	9,863,000	9,837,800	9,730,000
Interest	„	5,441,754	4,508,400	4,701,200	4,358,600
Post Office, Telegraph, and Mint	„	2,255,829	2,182,200	2,167,600	2,268,300
Salaries and Expenses of Civil Departments	„	12,906,364	13,098,300	13,038,000	13,291,200
Miscellaneous Civil Charges	„	4,761,130	4,857,900	4,895,900	4,823,200
Famine Relief and Insurance	„	91,408	73,200	82,900	100,500
Construction of Railways (charged against Revenue, in addition to that under Famine Insurance).	„	80,945	43,800	18,000	10,200
Railway Revenue Account	„	16,655,746	17,299,600	17,692,900	18,713,100
Irrigation	„	2,461,646	2,582,300	2,630,800	2,614,700
Buildings and Roads	„	5,451,049	5,592,900	5,329,200	5,482,400
Army Services	„	20,417,934	19,969,000	20,371,500	20,974,700
Special Defence Works	–	456,017	1,121,500	818,300	1,102,900
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL	–	80,417,985	81,192,100	81,584,100	83,469,800
Add,—Provincial Surpluses, that is, portion of Allotments to Provincial Governments not spent by them in the year.	End of B.	+423,685	+9,800	+238,300	+ 24,600
Deduct,—Provincial Deficits, that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	— 53,094	—493,400	— 35,200	—665,400
TOTAL EXPENDITURE charged against REVENUE	–	**80,788,576**	**80,708,500**	**81,787,200**	**82,829,000**
EXPENDITURE NOT CHARGED TO REVENUE:					
Capital Outlay on Railways and Irrigation Works	End of B.	2,784,824	4,044,500	1,857,800	4,089,500
Capital Charge involved in Redemption of Liabilities	–	—	—	10,336,000	—
DEBT, DEPOSITS, AND ADVANCES:					
Deposits and Advances (net)	C.	—	340,900	739,400	19,700
Loans to Municipalities, Native States, &c. (net Advances).	„	396,944	486,800	510,000	827,700
Capital of Railway Companies (net Payments)	„	574,127	3,143,400	3,350,700	3,763,100
Remittances (net)	„	14,333	69,300	—	—
Secretary of State's Bills paid	„	14,682,540	14,548,500	15,119,900	14,690,900
TOTAL DISBURSEMENTS	–	99,241,344	103,341,900	113,701,900	106,219,900
Balance on 31st March—India	–	13,883,701	11,581,385	12,900,001	12,553,301
England	–	5,900,697	2,278,429	3,849,797	2,146,697
GRAND TOTAL	–	119,025,742	117,201,714	130,451,698	120,919,898
Revenue		78,759,744	80,010,500	81,585,500	82,935,300
Expenditure chargeable thereon		80,788,576	80,708,500	81,787,200	82,829,000
Surplus (+) or Deficit (—)		—2,028,832	— 698,000	—201,700	+ 106,300

E. Gay,
Comptroller General.

E. J. Sinkinson,
Officiating Secretary to the Government of India.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

HEADS OF REVENUE.	ACCOUNTS, 1887-88. India. Imperial.	India. Provincial and Local.	England.	Exchange.* 1 s. 4·90 d.	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
PRINCIPAL HEADS OF REVENUE:	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—Land Revenue	14,214,844	8,974,448	- -	- -	23,189,292	14,143,300	9,059,000
II.—Opium	8,515,462	- -	- -	- -	8,515,462	8,560,900	- -
III.—Salt	6,643,454	27,274	- -	- -	6,670,728	7,654,600	22,300
IV.—Stamps	1,127,166	2,749,132	- -	- -	3,876,298	1,147,200	2,785,000
V.—Excise	3,325,752	1,208,903	- -	- -	4,534,655	3,445,600	1,260,100
VI.—Provincial Rates	850	3,034,473	- -	- -	3,035,323	600	3,018,800
VII.—Customs	1,333,401	15,436	- -	- -	1,348,837	1,354,800	15,200
VIII.—Assessed Taxes	823,667	607,769	- -	- -	1,431,436	890,700	617,900
IX.—Forest	521,415	602,710	- -	- -	1,124,125	682,300	643,400
X.—Registration	156,710	154,543	- -	- -	311,253	165,300	163,500
XI.—Tributes from Native States	743,597	- -	- -	- -	743,597	767,000	- -
Total	37,406,318	17,374,688	- -	- -	**54,781,006**	38,812,300	17,585,200
XII.—Interest	621,664	31,189	65,978	27,724	**746,555**	555,000	89,000
POST OFFICE, TELEGRAPH, AND MINT:							
XIII.—Post Office	1,209,329	4,867	- -	- -	1,214,196	1,285,600	6,300
XIV.—Telegraph	747,466	505	11,206	4,709	763,886	707,700	500
XV.—Mint	251,437	- -	19	8	251,464	215,800	- -
Total	2,208,232	5,372	11,225	4,717	**2,229,546**	2,209,100	6,800
RECEIPTS BY CIVIL DEPARTMENTS:							
XVI.—Law and Justice { Courts	23,547	299,415	- -	- -	322,962	28,200	304,700
XVI.—Law and Justice { Jails	30,071	218,817	- -	- -	248,888	34,500	234,400
XVII.—Police	25,711	324,582	- -	- -	350,293	29,800	318,100
XVIII.—Marine	73,254	121,773	- -	- -	195,027	74,100	117,300
XIX.—Education	1,410	223,795	- -	- -	225,205	1,600	205,300
XX.—Medical	120	55,907	2,764	1,161	59,952	500	55,900
XXI.—Scientific and other Minor Departments.	29,775	62,768	614	258	93,415	5,200	65,100
Total	183,888	1,307,057	3,378	1,419	**1,495,742**	173,900	1,300,800
MISCELLANEOUS:							
XXII.—Receipts in aid of Superannuation, &c.	218,692	37,184	104,118	43,751	403,745	233,400	38,500
XXIII.—Stationery and Printing	34,031	46,251	- -	- -	80,282	23,100	44,800
XXIV.—Exchange	744,471	- -	- -	- -	744,471	951,800	- -
XXV.—Miscellaneous	99,371	265,609	8,893	3,737	377,610	80,000	269,300
Total	1,096,565	349,044	113,011	47,488	**1,606,108**	1,288,300	352,600
RAILWAYS:							
XXVI.—State Railways (Gross Receipts)	9,371,808	1,499,791	230	97	10,871,926	10,206,100	1,534,000
XXVII.—Guaranteed Companies (Net Traffic Receipts).	3,636,670	- -	- -	- -	3,636,670	3,652,500	- -
XXVIII.—Subsidised Companies (Repayment of Advances of Interest).	24,764	- -	- -	- -	24,764	35,100	- -
Total	13,033,242	1,499,791	230	97	**14,533,360**	13,893,700	1,534,000
IRRIGATION:							
XXIX.—Major Works: Direct Receipts	418,453	532,508	- -	- -	950,961	464,200	596,500
Portion of Land Revenue due to Irrigation.	602,555	- -	- -	- -	602,555	612,100	- -
XXX.—Minor Works and Navigation	32,139	128,619	- -	- -	160,758	30,600	135,500
Total	1,053,147	661,127	- -	- -	**1,714,274**	1,106,900	732,000
BUILDINGS AND ROADS:							
XXXI.—Military Works	40,413	- -	- -	- -	40,413	39,700	- -
XXXII.—Civil Works	11,972	503,594	25,601	10,758	551,925	10,800	500,000
Total	52,385	503,594	25,601	10,758	**592,338**	50,500	500,000
RECEIPTS BY MILITARY DEPARTMENTS:							
XXXIII.—Army: Effective	931,027	- -	36,752	15,444	983,223	863,500	- -
Non-effective	70,673	- -	4,872	2,047	77,592	52,500	- -
Total	1,001,700	- -	41,624	17,491	**1,060,815**	916,000	- -
TOTAL REVENUES	56,657,141	21,731,862	261,047	109,694	**78,759,744**	59,005,700	22,100,400

*The columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England, the Exchange thereon calculated in accordance with the average rate obtained for Bills and Telegraphic Transfers sold during the year.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1888-89.			Increase + Decrease — of Revised as compared with Budget Estimates, 1888-89.	BUDGET ESTIMATE, 1889-90.					Increase + Decrease — of Budget, 1889-90, as compared with Budget, 1888-89.	Increase + Decrease — of Budget, 1889-90, as compared with Revised Estimates, 1888-89.
				India.						
England.	Exchange. 1 *s.* 4·38 *d.*	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange. 1 *s.* 4·38 *d.*	TOTAL.		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
- -	- -	23,202,300	+ 111,800	14,918,400	8,473,300	- -	- -	23,391,700	+ 301,200	+ 189,400
- -	- -	8,560,900	+ 107,000	8,260,000	- -	- -	- -	8,260,000	— 193,900	— 300,900
- -	- -	7,676,900	— 445,600	8,007,300	22,600	- -	- -	8,029,900	— 92,600	+ 353,000
- -	- -	3,932,200	+ 27,300	1,155,400	2,804,100	- -	- -	3,959,500	+ 105,100	+ 27,300
- -	- -	4,705,700	+ 96,200	3,542,900	1,184,400	- -	- -	4,727,300	+ 117,800	+ 21,600
- -	- -	3,019,400	+ 6,100	600	3,257,400	- -	- -	3,258,000	+ 244,700	+ 238,600
- -	- -	1,370,000	+ 900	1,402,500	15,900	- -	- -	1,418,400	+ 49,300	+ 48,400
- -	- -	1,508,600	+ 56,800	875,700	639,600	- -	- -	1,515,300	+ 63,500	+ 6,700
- -	- -	1,325,700	+ 154,100	636,300	633,300	- -	- -	1,269,600	+ 98,000	— 56,100
- -	- -	328,800	+ 20,900	166,900	164,200	- -	- -	331,100	+ 23,200	+ 2,300
- -	- -	767,000	— 900	783,000	- -	- -	- -	783,000	+ 15,100	+ 16,000
- -	- -	**56,397,500**	+ 185,100	39,749,000	17,194,800	- -	- -	**56,943,800**	+ 731,400	+ 546,300
133,000	61,800	**838,800**	+ 182,500	597,600	92,700	30,000	13,900	**734,200**	+ 77,900	— 104,600
- -	- -	1,291,900	+ 49,800	1,341,000	7,000	- -	- -	1,348,000	+ 105,900	+ 56,100
16,700	7,800	732,700	+ 33,400	730,800	500	14,200	6,600	752,100	+ 52,800	+ 19,400
- -	- -	215,800	+ 25,900	228,600	- -	- -	- -	228,600	+ 38,700	+ 12,800
16,700	7,800	**2,240,400**	+ 109,100	2,300,400	7,500	14,200	6,600	**2,328,700**	+ 197,400	+ 88,300
- -	- -	332,900	+ 28,300	25,800	301,000	- -	- -	326,800	+ 22,200	— 6,100
- -	- -	268,900	+ 10,800	36,100	234,000	- -	- -	270,100	+ 12,000	+ 1,200
- -	- -	347,900	+ 26,100	24,700	321,300	- -	- -	346,000	+ 24,200	— 1,900
- -	- -	191,400	+ 3,100	67,300	117,400	- -	- -	184,700	— 3,600	— 6,700
- -	- -	206,900	+ 5,500	800	211,600	- -	- -	212,400	+ 11,000	+ 5,500
2,500	1,200	60,100	— 1,600	500	52,000	2,500	1,200	56,200	— 5,500	— 3,900
1,400	700	72,400	— 15,700	3,100	64,000	600	300	68,000	— 20,100	— 4,400
3,900	1,900	**1,480,500**	+ 56,500	158,300	1,301,300	3,100	1,500	**1,464,200**	+ 40,200	— 16,300
103,800	48,300	424,000	+ 41,900	232,400	38,600	98,400	45,700	415,100	+ 33,000	— 8,900
- -	- -	67,900	+ 7,800	21,600	44,000	- -	- -	65,600	+ 5,500	— 2,300
- -	- -	951,800	+ 536,800	527,300	- -	- -	- -	527,300	+ 112,300	— 424,500
2,400	1,100	352,800	+ 43,800	63,800	264,800	2,500	1,200	332,300	+ 23,300	— 20,500
106,200	49,400	**1,796,500**	+ 630,300	845,100	347,400	100,900	46,900	**1,340,300**	+ 174,100	— 456,200
200	100	11,740,400	— 500	11,516,200	1,587,000	200	100	13,103,500	+1,362,600	+1,363,100
- -	- -	3,652,500	+ 247,500	3,560,000	- -	- -	- -	3,560,000	+ 155,000	— 92,500
- -	- -	35,100	— 3,700	23,000	- -	- -	- -	23,000	— 15,800	— 12,100
200	100	**15,428,000**	+ 242,300	15,099,200	1,587,000	200	100	**16,686,500**	+1,501,800	+1,258,500
- -	- -	1,060,700	+ 46,600	493,600	596,500	- -	- -	1,090,100	+ 76,000	+ 29,400
- -	- -	612,100	+ 21,800	629,400	- -	- -	- -	629,400	+ 39,100	+ 17,300
- -	- -	166,100	+ 11,800	32,600	137,200	- -	- -	169,800	+ 15,500	+ 3,700
- -	- -	**1,838,900**	+ 80,200	1,155,600	733,700	- -	- -	**1,889,300**	+ 130,600	+ 50,400
- -	- -	39,700	+ 3,700	38,900	- -	- -	- -	38,900	+ 2,900	— 800
26,100	12,100	549,000	+ 29,900	10,200	516,900	25,700	12,000	564,800	+ 45,700	+ 15,800
26,100	12,100	**588,700**	+ 33,600	49,100	516,900	25,700	12,000	**603,700**	+ 48,600	+ 15,000
34,900	16,200	914,600	+ 52,200	829,400	- -	33,500	15,600	878,500	+ 16,100	— 36,100
6,200	2,900	61,600	+ 2,200	56,600	- -	6,500	3,000	66,100	+ 6,700	+ 4,500
41,100	19,100	**976,200**	+ 54,400	886,000	- -	40,000	18,600	**944,600**	+ 22,800	— 31,600
327,200	152,200	**81,585,500**	+1,575,000	60,840,300	21,781,300	214,100	99,600	**82,935,300**	+ 2,924,800	+1,349,800

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1887-88. India. Imperial.	India. Provincial and Local.	England.	Exchange.† 1 s. 4·90 d.	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
DIRECT DEMANDS ON THE REVENUES:	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
1.—Refunds and Drawbacks	150,468	73,514	- -	- -	223,982	152,100	76,600
2.—Assignments and Compensations	541,538	927,425	- -	- -	1,468,963	550,700	929,100
Charges in respect of Collection, viz.:							
3.—Land Revenue	241,393	3,245,103	133	56	3,486,685	267,200	3,270,700
4.—Opium (including Cost of Production)	2,423,238	- -	941	396	2,424,575	2,647,300	- -
5.—Salt (including Cost of Production)	409,191	1,435	55	23	410,704	419,300	2,500
6.—Stamps	— 5,750	91,993	54,338	22,833	163,414	— 10,200	94,500
7.—Excise	93,059	34,012	5	2	127,078	101,300	36,300
8.—Provincial Rates	- -	62,138	- -	- -	62,138	- -	62,000
9.—Customs	48,679	86,184	20	8	134,891	48,700	86,000
10.—Assessed Taxes	15,019	13,660	- -	- -	28,679	16,000	12,400
11.—Forest	322,955	394,342	1,758	739	719,794	395,800	411,000
12.—Registration	93,981	93,279	- -	- -	187,260	96,300	95,400
Total	4,333,771	5,023,085	57,250	24,057	**9,438,163**	4,684,500	5,076,500
INTEREST:							
13.—Interest on Debt * other than that charged to Railways and Irrigation Works.	275,441	- -	3,365,222	1,414,099	5,054,762	315,900	48,800
14.—Interest on other Obligations	384,045	2,539	287	121	386,992	433,300	2,700
Total	659,486	2,539	3,365,509	1,414,220	**5,441,754**	749,200	51,500
POST OFFICE, TELEGRAPH, AND MINT:							
15.—Post Office	1,102,304	109,658	114,940	48,299	1,375,201	1,108,200	109,300
16.—Telegraph	604,849	473	127,661	53,644	786,627	571,200	500
17.—Mint	87,339	- -	4,691	1,971	94,001	87,300	- -
Total	1,794,492	110,131	247,292	103,914	**2,255,829**	1,766,700	109,800
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:							
18.—General Administration	612,381	777,140	267,858	112,556	1,769,935	597,400	797,900
19.—Law and Justice { Courts	75,868	2,574,540	453	190	2,651,051	82,600	2,602,900
19.—Law and Justice { Jails	152,145	619,727	- -	- -	771,872	163,400	666,400
20.—Police	795,005	2,898,616	- -	- -	3,693,621	881,800	2,888,900
21.—Marine (including River Navigation)	333,421	135,118	142,448	59,858	670,845	286,000	147,400
22.—Education	16,894	1,274,031	624	262	1,291,811	16,000	1,291,600
23.—Ecclesiastical	158,341	- -	550	231	159,122	158,000	- -
24.—Medical	40,211	715,008	6,848	2,878	764,945	32,300	724,300
25.—Political	626,085	15,111	30,604	12,860	684,660	668,500	54,400
26.—Scientific and other Minor Departments	277,030	145,028	18,620	7,824	448,502	241,300	153,200
Total	3,087,381	9,154,319	468,005	196,659	**12,906,364**	3,127,300	9,327,000
MISCELLANEOUS CIVIL CHARGES:							
27.—Territorial and Political Pensions	572,846	- -	15,749	6,618	595,213	509,800	- -
28.—Civil Furlough and Absentee Allowances	2,597	- -	215,560	90,580	308,737	8,700	- -
29.—Superannuation Allowances and Pensions	88,263	629,444	1,597,940	671,470	2,987,117	85,200	662,500
30.—Stationery and Printing	60,903	389,419	89,317	37,532	577,171	68,300	387,600
31.—Exchange	- -	- -	- -	- -	- -	- -	- -
32.—Miscellaneous	61,065	185,192	32,837	13,798	292,892	131,900	201,300
Total	785,674	1,204,055	1,951,403	819,998	**4,761,130**	803,900	1,251,400
FAMINE RELIEF AND INSURANCE:							
33.—Famine Relief	- -	402	- -	- -	402	- -	10,200
34.—Construction of Protective Railways	- -	- -	- -	- -	- -	- -	- -
35.—Construction of Protective Irrigation Works	91,006	- -	- -	- -	91,006	72,700	- -
36.—Reduction of Debt	- -	- -	- -	- -	- -	- -	- -
Total	91,006	402	- -	- -	**91,408**	72,700	10,200
Carried forward	10,751,810	15,494,531	6,089,459	2,558,848	34,894,648	11,204,300	15,826,400

	ACCOUNTS, 1887-88. India.	England.	Exchange.	TOTAL.
* The "Interest on Debt" is distributed as follows:—	*Rx.*	£.	*Rx.*	*Rx.*
Interest on Debt (other than that charged to Railways and Irrigation Works) as above	275,441	3,365,222	1,414,099	5,054,762
Under Railway Revenue Account	2,557,786	552,080	231,990	3,341,856
Under Irrigation	1,017,542	- -	- -	1,017,542
TOTAL	3,850,769	3,917,302	1,646,089	9,414,160

† *See* foot-note to Statement A., p. 52.

REVENUES of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1888-89.			Increase+ Decrease— of Revised as compared with Budget Estimates, 1888-89.	BUDGET ESTIMATE, 1889-90.					Increase + Decrease — of Budget, 1889-90, as compared with Budget, 1888-89.	Increase+ Decrease— of Budget, 1889-90, as compared with Revised Estimates, 1888-89.
				India.						
England.	Exchange.† 1 *s.* 4·38 *d.*	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.† 1 *s.* 4·38 *d*	TOTAL.		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
- -	- -	228,700	+ 33,606	153,500	67,600	- -	- -	221,100	+ 26,000	— 7,600
- -	- -	1,479,800	— 14,200	571,600	969,800	- -	- -	1,541,400	+ 47,400	+ 61,600
700	300	3,538,900	—145,200	293,200	3,334,600	900	400	3,629,100	— 55,000	+ 90,200
800	400	2,648,500	+ 93,800	2,362,700	- -	1,100	500	2,364,300	—190,400	—284,200
300	100	422,200	— 28,700	459,400	2,500	100	- -	462,000	+ 11,100	+ 39,800
48,000	22,300	154,600	— 20,400	—12,100	97,200	33,600	15,600	134,300	— 40,700	— 20,300
200	100	137,900	+ 10,200	114,600	39,500	100	- -	154,200	+ 26,500	+ 16,300
- -	- -	62,000	+ 4,400	- -	60,500	- -	- -	60,500	+ 2,900	— 1,500
100	-	134,800	+ 3,700	49,700	88,300	200	100	138,300	— 200	+ 3,500
- -	- -	28,400	+ 1,100	15,000	13,800	- -	- -	28,800	+ 1,500	+ 400
2,400	1,100	810,300	+ 39,700	364,700	433,500	2,100	1,000	801,300	+ 30,700	— 9,000
- -	- -	191,700	+ 4,200	97,800	96,900	- -	- -	194,700	+ 7,200	+ 3,000
52,500	24,300	**9,837,800**	— 25,200	4,470,100	5,204,200	38,100	17,600	**9,730,000**	—133,000	—107,800
2,662,000	1,237,800	4,264,500	+ 189,100	290,900	57,300	2,426,500	1,128,300	3,903,000	— 172,400	— 361,500
500	200	436,700	+ 3,700	452,400	2,500	500	200	455,600	+ 22,600	+ 18,900
2,662,500	1,238,000	**4,701,200**	+ 192,800	743,300	59,800	2,427,000	1,128,500	**4,358,600**	—149,800	—342,600
89,300	41,500	1,348,300	— 11,900	1,157,600	112,500	90,600	42,100	1,402,800	+ 42,600	+ 54,500
102,100	47,500	721,300	— 14,700	600,500	500	110,200	51,200	762,400	+ 26,400	+ 41,100
7,300	3,400	98,000	+ 12,000	84,800	- -	12,500	5,800	103,100	+ 17,100	+ 5,100
198,700	92,400	**2,167,600**	— 14,600	1,842,900	113,000	213,300	99,100	**2,268,300**	+ 86,100	+100,700
243,100	113,100	1,751,500	+ 8,600	610,400	806,900	247,500	115,100	1,779,900	+ 37,000	+ 28,400
700	300	2,686,500	— 26,900	93,500	2,625,200	2,600	1,200	2,722,500	+ 9,100	+ 36,000
- -	- -	829,800	+ 29,600	165,900	675,900	- -	- -	841,800	+ 41,600	+ 12,000
- -	- -	3,770,700	— 5,500	959,700	2,985,300	- -	- -	3,945,000	+168,800	+174,300
97,500	45,300	576,200	— 40,100	315,500	139,600	86,600	40,300	582,000	— 34,360	+ 5,800
1,200	600	1,309,400	— 21,800	17,300	1,335,000	1,400	700	1,354,400	+ 23,200	+ 45,000
500	200	158,700	— 8,300	163,600	- -	300	100	164,000	— 3,000	+ 5,300
6,900	3,200	766,700	— 23,700	40,900	741,000	7,000	3,300	792,200	+ 1,800	+ 25,500
29,700	13,800	766,400	+ 51,800	585,900	56,100	27,300	12,700	682,000	— 32,600	— 84,400
18,800	8,800	422,100	— 24,000	245,600	148,200	22,900	10,700	427,400	— 18,700	+ 5,300
398,400	185,300	**13,038,000**	— 60,300	3,198,300	9,513,200	395,600	184,100	**13,291,200**	+192,900	+253,200
21,200	9,900	540,900	— 29,400	504,300	- -	12,600	5,900	522,800	— 47,500	— 18,100
214,000	99,500	322,200	+ 11,000	9,100	- -	217,000	100,900	327,000	+ 15,800	+ 4,800
1,618,000	752,400	3,118,100	+ 88,800	85,900	673,400	1,630,000	758,000	3,147,300	+118,000	+ 29,200
55,000	25,600	536,500	— 71,000	67,000	390,600	47,000	21,900	526,500	— 81,000	— 10,000
—	—	—	—	—	—	—	—	—	—	—
30,700	14,300	378,200	+ 38,600	56,500	196,200	32,000	14,900	299,600	— 40,000	— 78,600
1,938,900	901,700	**4,895,900**	+ 38,000	722,800	1,260,200	1,938,600	901,600	**4,823,200**	— 34,700	— 72,700
- -	- -	10,200	+ 9,700	- -	20,500	- -	- -	20,500	+ 20,000	+ 10,300
—	—	—	—	—	—	—	—	—	—	—
- -	- -	72,700	- -	80,000	- -	- -	- -	80,000	+ 7,300	+ 7,300
—	—	—	—	—	—	—	—	—	—	—
- -	- -	**82,900**	+ 9,700	80,000	20,500	- -	- -	**100,500**	+ 27,300	+ 17,600
5,251,000	2,441,700	34,723,400	+140,400	11,057,400	16,170,900	5,012,600	2,330,900	34,571,800	— 11,200	— 151,600

REVISED ESTIMATE, 1888-89.				BUDGET ESTIMATE, 1889-90.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
Rx.	£.	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*
364,700	2,662,000	1,237,800	4,264,500	348,200	2,426,500	1,128,300	3,903,000
2,668,800	631,900	293,800	3,594,500	2,759,800	908,700	422,600	‡ 4,091,100
1,041,400	- -	- -	1,041,400	1,065,100	- -	- -	1,065,100
4,074,900	3,293,900	1,531,600	8,900,400	4,173,100	3,335,200	1,550,900	9,059,200

‡ Includes Rx. 69,300 charged to "Interest chargeable against Companies on Advances."

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1887-88.					REVISED	
	India.		England.	Exchange.* 1 s. 4·90 d.	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
	Rx.	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward - - -	10,751,810	15,494,531	6,089,459	2,558,848	34,894,648	11,204,300	15,826,400
37.—CONSTRUCTION of RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	- -	80,945	- -	- -	**80,945**	- -	18,000
RAILWAY REVENUE ACCOUNT:							
38.—State Railways: Working Expenses - -	4,792,939	801,248	- -	- -	5,594,187	5,214,800	828,600
Interest on Debt - - - - - -	2,120,328	437,458	552,080	231,990	3,341,856	2,211,300	457,500
Annuities in purchase of Railways - -	- -	- -	1,683,456	707,405	2,390,861	- -	- -
Interest chargeable against Companies on Advances.	- -	- -	- -	- -	- -	- -	- -
Interest on Capital deposited by Companies	378	- -	468,936	197,051	666,365	19,400	- -
39.—Guaranteed Companies: Surplus Profits, Land, and Supervision.	714,057	- -	- -	- -	714,057	569,109	- -
Interest - - - - - - - -	25,595	- -	2,694,920	1,132,431	3,852,946	7,200	- -
40.—Subsidised Companies: Land, &c. - -	29,011	14,616	- -	- -	43,627	14,500	14,500
Advances of Interest - - - -	—	—	—	—	—	—	—
41.—Miscellaneous Railway Expenditure - -	42,598	9,249	- -	- -	51,847	56,000	19,000
Total - - -	7,724,906	1,262,571	5,399,392	2,268,877	**16,655,746**	8,092,300	1,319,600
IRRIGATION:							
42.—Major Works: Working Expenses - -	326,043	351,564	- -	- -	677,607	356,300	363,100
Interest on Debt - - - - -	513,608	503,934	- -	- -	1,017,542	532,900	508,500
43.—Minor Works and Navigation - - -	292,815	473,649	23	10	766,497	305,900	563,500
Total - - -	1,132,466	1,329,147	23	10	**2,461,646**	1,195,100	1,435,100
BUILDINGS AND ROADS							
44.—Military Works - - - - - -	1,222,763	- -	6,546	2,751	1,232,060	1,100,500	- -
45.—Civil Works - - - - - -	893,026	3,194,077	92,864	39,022	4,218,989	768,900	3,298,200
Total - - -	2,115,789	3,194,077	99,410	41,773	**5,451,049**	1,869,400	3,298,200
ARMY SERVICES:							
46.—Army: Effective - - - - -	14,243,976	- -	1,843,046	774,466	16,861,488	13,958,900	- -
Non-effective - - - - -	860,932	- -	1,897,969	797,545	3,556,446	881,100	- -
Total - - -	15,104,908	- -	3,741,015	1,572,011	**20,417,934**	14,840,000	- -
SPECIAL DEFENCE WORKS:							
47.—Special Defence Works - - - - -	371,137	- -	59,766	25,114	**456,017**	450,000	- -
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL - - - -	37,201,016	21,361,271	15,389,065	6,466,633	80,417,985	37,651,100	21,897,300
Add,—Portion of Allotments to Provincial Governments not spent by them in the Year - - - - -	- -	+423,685	- -	- -	+ 370,591	- -	+238,300
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances	- -	— 53,094					— 35,200
TOTAL EXPENDITURE CHARGED AGAINST REVENUE - -	- -	21,731,862	- -	- -	**80,788,576**	- -	22,100,400

	ACCOUNTS, 1887-88.			
	India.	England.	Exchange (charged against Revenue).	TOTAL.
EXPENDITURE NOT CHARGED TO REVENUE:	*Rx.*	£.	*Rx.*	*Rx.*
Capital Outlay on Railways and Irrigation Works:				
48.—State Railways: Construction - - - -	676,725	1,109,027	466,024	2,251,776
49.—Irrigation Works - - - - - - -	523,222	6,919	2,907	533,048
TOTAL - - -	1,199,947	1,115,946	468,931	**2,784,824**
50.—CAPITAL CHARGE INVOLVED IN REDEMPTION OF LIABILITIES.	- -	- -	- -	- -

* *See* foot-note to Statement A., p. 52.

REVENUES of INDIA, in INDIA and in ENGLAND—*continued.*

ESTIMATE, 1888-89.			Increase + Decrease — of Revised as compared with Budget Estimates, 1888-89.	BUDGET ESTIMATE, 1889-90.					Increase + Decrease — of Budget, 1889-90, as compared with Budget, 1888-89.	Increase + Decrease — of Budget, 1889-90, as compared with Revised Estimates, 1888-89.
				India.						
England.	Exchange.* 1 *s.* 4·38 *d.*	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.* 1 *s.* 4·38 *d.*	TOTAL.		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
5,251,000	2,441,700	34,723,400	+ 140,400	11,657,400	16,170,900	5,012,600	2,330,900	34,571,800	— 11,200	— 151,600
- -	- -	**18,000**	— 25,800	- -	10,200	- -	- -	**10,200**	— 33,600	— 7,800
- -	- -	6,043,400	+ 61,200	6,055,200	818,900	- -	- -	6,874,100	+ 891,900	+ 830,700
631,900	293,800	3,594,500	+ 108,300	2,285,400	474,400	861,400	400,600	4,021,800	+ 535,500	+ 427,300
1,688,600	785,200	2,473,800	+ 75,800	- -	- -	1,687,800	784,800	2,472,600	+ 74,600	— 1,200
- -	- -	- -	- -	- -	- -	47,300	22,000	69,300	+ 69,300	+ 69,300
634,300	294,900	948,600	+ 17,200	19,400	- -	680,400	316,400	1,016,200	+ 84,800	+ 67,600
- -	- -	569,100	+ 41,600	650,000	- -	- -	- -	650,000	+ 122,500	+ 80,900
2,697,800	1,254,500	3,959,500	+ 85,800	30,100	- -	2,327,000	1,082,000	3,439,100	— 434,600	— 520,400
- -	- -	29,000	— 3,200	73,000	14,500	- -	- -	87,500	+ 55,300	+ 58,500
—	—	—	—	—	—	—	—	—	—	—
- -	- -	75,000	+ 6,700	66,000	16,500	- -	- -	82,500	+ 14,200	+ 7,500
5,652,600	2,628,400	**17,692,900**	+ 393,300	9,179,100	1,324,300	5,603,900	2,605,800	**18,713,100**	+1,413,500	+1,020,200
- -	- -	719,400	+ 48,600	322,400	369,500	- -	- -	691,900	+ 21,100	— 27,500
- -	- -	1,041,400	— 5,300	550,800	514,300	- -	- -	1,065,100	+ 18,400	+ 23,700
400	200	870,000	+ 5,200	289,600	559,300	6,000	2,800	857,700	— 7,100	— 12,300
400	200	**2,630,800**	+ 48,500	1,162,800	1,443,100	6,000	2,800	**2,614,700**	+ 32,400	— 16,100
10,000	4,700	1,115,200	— 42,100	1,134,000	- -	16,000	7,400	1,157,400	+ 100	+ 42,200
100,300	46,600	4,214,000	— 221,600	638,100	3,473,600	145,600	67,700	4,325,000	— 110,600	+ 111,000
110,300	51,300	**5,329,200**	— 263,700	1,772,100	3,473,600	161,600	75,100	**5,482,400**	— 110,500	+ 153,200
1,786,700	830,800	16,576,400	+ 350,700	14,231,900	- -	1,947,800	905,700	17,085,400	+ 859,700	+ 509,000
1,989,100	924,900	3,795,100	+ 51,800	875,100	- -	2,057,500	956,700	3,889,300	+ 146,000	+ 94,200
3,775,800	1,755,700	**20,371,500**	+ 402,500	15,107,000	- -	4,005,300	1,862,400	**20,974,700**	+1,005,700	+ 603,200
251,400	116,900	**818,300**	— 303,200	545,000	- -	380,800	177,100	**1,102,900**	— 18,600	+ 284,600
15,041,500	6,994,200	81,584,100	+ 392,000	38,823,400	22,422,100	15,170,200	7,054,100	83,469,800	+2,277,700	+1,885,700
- -	- -	+ 203,100	- -	- -	+ 24,600 — 665,400	- -	- -	— 640,800	—	—
- -	- -	**81,787,200**	- -	- -	21,781,300	- -	- -	**82,829,000**	—	—

REVISED ESTIMATE, 1888-89.				BUDGET ESTIMATE, 1889-90.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
Rx.	£.	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*
210,400	788,000	366,400	1,364,800	1,697,100	1,273,000	591,900	3,562,000
486,800	4,200	2,000	493,000	527,500	- -	- -	527,500
697,200	792,200	368,400	**1,857,800**	2,224,600	1,273,000	591,900	**4,089,500**
- -	10,336,000	- -	**10,336,000**	—	—	—	—

C.—STATEMENT of Receipts and Disbursements other than Revenue

	ACCOUNTS, 1887-88.			REVISED ESTIMATE, 1888-89.			BUDGET ESTIMATE, 1889-90.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Revenue (from Statement A.)	78,389,003	261,047	78,650,050	81,106,100	327,200	81,433,300	82,621,600	214,100	82,835,700
Exchange added to Revenue	109,694	- -	109,694	152,200	- -	152,200	99,600	- -	99,600
Extraordinary Receipts	63,690	- -	63,690	—	—	—	—	—	—
Total	78,562,387	261,047	78,823,434	81,258,300	327,200	81,585,500	82,721,200	214,100	82,935,300
Permanent Debt Incurred:									
Sterling Debt:									
3½ per Cent. India Stock	- -	- -	- -	- -	4,030,700	—	—	—	—
3 per Cent. India Stock	- -	- -	- -	- -	6,921,000	- -	- -	3,750,000	—
Oude and Rohilkhund Railway Debentures and Debenture Stock (liability assumed).	- -	- -	- -	- -	3,415,000	—	—	—	—
Rupee Debt:									
4 per Cent. Rupee Loan	2,000,009	- -	- -	4,630,300	- -	- -	17,300	—	—
Gwalior Loan	3,500,000	—	—	—	—	—	—	—	—
Stock Notes	5,264	- -	- -	2,300	—	—	—	—	—
Proposed Loan	- -	- -	- -	- -	- -	- -	2,500,000	—	—
Total	5,505,273	- -	5,505,273	4,632,600	14,366,700	18,999,300	2,517,300	3,750,000	6,267,300
Net	- -	- -	5,435,799	- -	- -	13,413,500	- -	- -	5,871,400
Unfunded Debt:									
Special Loans	- -	- -	- -	17,500	- -	- -	17,500	—	—
Treasury Notes	100	—	—	—	—	—	—	—	—
Deposits of Service Funds	123,322	- -	- -	126,700	- -	- -	128,500	—	—
Savings Bank Deposits	4,679,185	- -	- -	5,387,200	- -	- -	4,335,800	—	—
Total	4,802,607	—	4,802,607	5,531,400	- -	5,531,400	4,481,800	- -	4,481,800
Net	- -	- -	926,491	- -	- -	1,043,700	- -	- -	629,700
Deposits and Advances:									
Balances of Provincial Allotments	423,685	- -	- -	238,300	- -	- -	24,600	—	—
Excluded Local Funds	720,734	- -	- -	612,400	- -	- -	615,200	—	—
Political and Railway Funds	309,115	- -	- -	3,600	- -	- -	7,600	—	—
Departmental and Judicial Deposits.	14,255,238	- -	- -	13,507,400	- -	- -	12,937,400	—	—
Advances	10,126,503	9,090	- -	9,248,600	5,800	- -	7,147,200	4,600	—
Suspense Accounts	83,972	- -	- -	58,800	- -	- -	24,200	—	—
Exchange on Remittance Accounts (net).	- -	- -	- -	- -	- -	- -	645,100	—	—
Miscellaneous	368,642	- -	- -	49,700	500	- -	44,700	—	—
Total	26,287,889	9,090	26,296,979	23,718,800	6,300	23,725,100	21,446,000	4,600	21,450,600
Net	- -	- -	4,827	- -	- -	0	- -	- -	0
Carried forward	115,158,156	270,137	- -	115,141,100	14,700,200	- -	111,166,300	3,968,700	—

and EXPENDITURE of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND.

	ACCOUNTS, 1887-88.			REVISED ESTIMATE, 1888-89.			BUDGET ESTIMATE, 1889-90.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
EXPENDITURE, IMPERIAL and PROVINCIAL (from Statement B.).	58,562,287	15,389,065	73,951,352	59,548,400	15,041,500	74,589,900	61,245,500	15,170,200	76,415,700
Exchange, charged as Expenditure	6,466,633	- -	6,466,633	6,994,200	- -	6,994,200	7,054,100	- -	7,054,100
Add,—Provincial Surpluses, transferred to "Deposits."	423,685	- -	423,685	238,300	- -	238,300	24,600	- -	24,600
Deduct,—Provincial Deficits, charged against "Deposits."	—53,094	- -	—53,094	—35,200	- -	—35,200	—665,400	- -	—665,400
Total - - -	65,399,511	15,389,065	80,788,576	66,745,700	15,041,500	81,787,200	67,658,800	15,170,200	82,829,000
EXPENDITURE NOT CHARGED TO REVENUE.									
Capital Outlay on Railways and Irrigation Works.	1,199,947	1,115,946	- -	697,200	792,200	- -	2,224,600	1,273,000	—
Capital Charge involved in Redemption of Liabilities.	- -	- -	- -	- -	10,336,000	—	—	—	—
Add,—Exchange on Expenditure not charged to Revenue.	468,931	- -	- -	368,400	- -	- -	591,900	—	—
Total - - -	1,668,878	1,115,946	2,784,824	1,065,600	11,128,200	12,193,800	2,816,500	1,273,000	4,089,500
PERMANENT DEBT DISCHARGED:									
Sterling Debt:									
India 4 per Cent. Stock -	- -	- -	- -	- -	3,730,700	- -	- -	300,000	—
Rupee Debt:									
5½ per Cent. Loans - -	670	—	—	—	—	—	—	—	—
5 per Cent. Loans - - -	50	—	—	—	—	—	—	—	—
4½ per Cent. Loans - -	1,540	- -	- -	1,490,000	—	—	—	—	—
4 per Cent. Loans - -	66,701	—	—	—	—	—	—	—	—
Loans under discharge - -	- -	- -	- -	216,100	- -	- -	84,400	—	—
Provincial Debentures - -	- -	- -	- -	1,400	- -	- -	1,500	—	—
Stock Notes - - - -	513	- -	—	147,600	- -	- -	10,000	—	—
Total - - -	69,474	—	69,474	1,855,100	3,730,700	5,585,800	95,900	300,000	395,900
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
UNFUNDED DEBT:									
Special Loans - - - -	524	- -	- -	200	- -	- -	200	—	—
Treasury Notes - - -	—	—	—	—	—	—	—	—	—
Deposits of Service Funds -	81,122	- -	- -	81,600	- -	- -	80,600	—	—
Savings Bank Deposits - -	3,794,470	- -	- -	4,405,900	- -	- -	3,771,300	—	—
Total - - -	3,876,116	- -	3,876,116	4,487,700	- -	4,487,700	3,852,100	- -	3,852,100
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
DEPOSITS AND ADVANCES:									—
Balances of Provincial Allotments	53,094	- -	- -	35,200	- -		665,400	—	—
Excluded Local Funds - -	708,969	- -	- -	607,800	- -	- -	637,000	—	—
Political and Railway Funds -	262,387	- -	- -	100,700	- -	- -	20,000	—	—
Departmental and Judicial Deposits.	14,188,352	- -	- -	13,508,800	- -	- -	12,901,700	—	—
Advances - - - - -	10,322,203	8,439	- -	9,286,800	5,500	-	7,173,400	7,300	—
Suspense Accounts - - -	212,169	- -	- -	17,200	- -	- -	18,600	—	—
Exchange on Remittance Accounts (net).	489,482	- -	- -	499,000	—	—	—	—	—
Miscellaneous - - - -	45,035	2,022	- -	403,500	- -	- -	46,000	—	—
Total - - -	26,281,691	10,461	26,292,152	24,459,000	5,500	24,464,500	21,463,000	7,300	21,470,300
Net - - -	- -	- -	0	- -	- -	739,400	- -	- -	19,700
Carried forward - - -	97,295,670	16,515,472	- -	98,613,100	29,905,900	- -	95,886,300	16,750,500	—

C.—STATEMENT of Receipts and Disbursements other than Revenue and

	ACCOUNTS, 1887-88.			REVISED ESTIMATE, 1888-89.			BUDGET ESTIMATE, 1889-90.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward - - -	115,158,156	270,137	- -	115,141,100	14,700,200	- -	111,166,300	3,968,700	—
Loans to Municipalities, Native States, &c.	271,197	- -	271,197	183,700	- -	183,700	136,100	- -	136,100
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
Capital Receipts from Railway Companies:									
On account of Subscribed Capital.	594	5,564,153	- -	- -	2,536,300	- -	- -	515,000	—
Repayments - - -	1,388,007	29,715	- -	1,377,800	8,800	- -	1,236,100	—	—
Total - - -	1,388,601	5,593,868	6,982,469	1,377,800	2,545,100	3,922,900	1,236,100	515,000	1,751,100
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
Remittances:									
Inland Money Orders - -	11,665,664	- -	- -	12,635,000	- -	- -	13,942,500	—	—
Other Local Remittances (net)	—	—	—	—	—	—	—	—	—
Other Departmental Accounts	274,527	- -	- -	500,100	- -	- -	483,900	—	—
Net Receipts by Civil Treasuries from—									
Post Office - - - -	921,993	- -	- -	1,138,000	- -	- -	794,300	—	—
Guaranteed Railways - -	3,272,499	- -	- -	3,724,200	- -	- -	3,637,200	—	—
Net Receipts from Civil Treasuries by—									
Telegraph - - - -	77,388	- -	- -	32,900	- -	- -	43,500	—	—
Marine - - - -	299,263	- -	- -	270,600	- -	- -	268,900	—	—
Military - - - -	13,682,427	- -	- -	13,477,800	- -	- -	13,803,600	—	—
Public Works - - -	3,994,992	- -	- -	3,421,900	- -	- -	2,382,000	—	—
Remittance Account between England and India.	1,192,092	205,994	- -	1,303,000	151,300	- -	1,169,600	126,100	—
Total - - -	35,320,845	205,994	35,526,839	36,503,500	151,300	36,654,800	36,525,500	126,100	36,651,600
Net - - -	- -	- -	0	- -	- -	314,500	- -	- -	43,800
Secretary of State's Bills Drawn.	- -	15,358,577	15,358,577	- -	14,310,100	14,310,100	- -	14,689,900	14,689,900
Total Receipts - -	152,138,799	21,428,576	- -	153,206,100	31,706,700	- -	149,064,000	19,299,700	—
Opening Balance - -	13,195,785	5,280,829	- -	13,883,701	5,900,697	- -	12,900,001	3,849,797	—
GRAND TOTAL - -	165,334,584	26,709,405	- -	167,089,801	37,607,397	- -	161,964,001	23,149,497	—

Fort William, Department of Finance and Commerce,
27 March 1889.

E. W. Kellner,
Deputy Comptroller General.

D.—ACCOUNT of Provincial and Local Savings charged to Revenue, and held

Provincial and

Note.—These Balances do not include the Balances

	India.	Central Provinces.	Burmah.	Assam.
Accounts, 1887-88.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Balance at end of 1886-87 (*a*) - -	11,853	261,730	114,591	72,129
Added in 1887-88 - - - -	691	10,226	85,596	6,494
Spent in 1887-88 - - - - -	- - -	- - -	- - -	- - -
Balance at end of 1887-88 - -	12,544	271,956	200,187	78,623
Revised Estimate, 1888-89.				
Balance at end of 1887-88 (by Accounts)	12,544	271,956	200,187	78,623
Added in 1888-89 - - - - -	- - -	2,700	(*b*) 9,100	35,000
Spent in 1888-89 - - - - -	400	- - -	(*c*) 9,500	- - -
Balance at end of 1888-89 - -	12,144	274,656	199,787	113,623
Budget Estimate, 1889-90.				
Balance at end of 1888-89 (by Revised Estimate).	12,144	274,656	199,787	113,623
Added in 1889-90 - - - - -	- - -	- - -	(*b*) 3,400	- - -
Spent in 1889-90 - - - - -	900	141,200	(*c*) 46,000	24,500
Balance at end of 1889-90 - -	11,244	133,456	157,187	89,123

(*a*) *See* Appropriation Report, Abstract D. (*b*) Upper Burma. (*c*) Lower Burma.

Fort William, Department of Finance and Commerce,
27 March 1889.

E. W. Kellner,
Deputy Comptroller General.

EXPENDITURE of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND—*continued.*

	ACCOUNTS, 1887-88.			REVISED ESTIMATE, 1888-89.			BUDGET ESTIMATE, 1889-90.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward - - -	97,295,670	16,515,472	- -	98,613,100	29,905,900	- -	95,886,300	16,750,500	—
Loans to Municipalities, Native States, &c.	668,141	- -	668,141	694,600	- -	694,600	963,800	- -	963,800
Net - - -	- -	- -	396,944	- -	- -	510,900	- -	- -	827,700
Payments to Railway Companies on Capital Account:									
For discharge of Debentures	- -	426,000	- -	- -	200	- -	- -	913,700	—
For Expenditure - -	4,420,287	2,710,309	- -	4,723,600	2,549,800	- -	2,457,500	2,143,000	—
Total - - -	4,420,287	3,136,309	7,556,596	4,723,600	2,550,000	7,273,600	2,457,500	3,056,700	5,514,200
Net - - -	- -	- -	574,127	- -	- -	3,350,700	- -	- -	3,763,100
Remittances:									
Inland Money Orders - -	11,660,656	- -	- -	12,635,000	- -	- -	13,942,500	—	—
Other Local Remittances -	20,947	—	—	—	—	—	—	—	—
Other Departmental Accounts	267,640	- -	- -	500,400	- -	- -	482,900	—	—
Net Payments into Civil Treasuries by—									
Post Office - - -	928,788	- -	- -	1,138,000	- -	- -	794,300	—	—
Guaranteed Railways -	3,272,499	- -	- -	3,724,200	- -	- -	3,637,200	—	—
Net Issues from Civil Treasuries to—									
Telegraph - - - -	77,271	- -	- -	32,900	- -	- -	43,500	—	—
Marine - - - -	304,532	- -	- -	270,600	- -	- -	268,900	—	—
Military - - - -	13,745,552	- -	- -	13,477,800	- -	- -	13,803,600	—	—
Public Works - - -	3,905,236	- -	- -	3,098,900	- -	- -	2,382,000	—	—
Remittance Account between England and India.	201,124	1,156,927	- -	160,800	1,301,700	- -	57,500	1,195,600	—
Total - - -	34,384,245	1,156,927	35,541,172	35,038,600	1,301,700	36,340,300	35,412,200	1,195,600	36,607,800
Net - - -	- -	- -	14,333	- -	- -	0	- -	- -	0
SECRETARY OF STATE'S BILLS PAID.	14,682,540	- -	14,682,540	15,119,900	- -	15,119,900	14,690,900	- -	14,690,900
TOTAL DISBURSEMENTS -	151,450,883	20,808,708	- -	154,189,800	33,757,600	- -	149,410,700	21,002,800	—
Closing Balance - -	13,883,701	5,900,697	- -	12,900,001	3,849,797	- -	12,553,301	2,146,697	—
GRAND TOTAL - - -	165,334,584	26,709,405	- -	167,089,801	37,607,397	- -	161,964,001	23,149,497	—

E. Gay,
Comptroller General.

E. J. Sinkinson,
Officiating Secretary to the Government of India.

at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL CONTRACTS.

LOCAL BALANCES.

of Deposits and Advances upon Local Fund Accounts.

Bengal.	North Western Provinces and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
417,541	449,987	356,517	968,931	765,479	3,418,758
135,493	- - -	20,100	148,531	16,554	423,685
- - -	53,094	- - -	- - -	- - -	53,094
553,034	396,893	376,617	1,117,462	782,033	3,789,349
553,034	396,893	376,617	1,117,462	782,033	3,789,349
- - -	41,300	20,300	95,400	34,500	238,300
25,300	- - -	- - -	- - -	- - -	35,200
527,734	438,193	396,917	1,212,862	816,533	3,992,449
527,734	438,193	396,917	1,212,862	816,533	3,992,449
- - -	21,200	- - -	- - -	- - -	24,600
39,100	- - -	64,300	139,500	209,900	665,400
488,634	459,393	332,617	1,073,362	606,633	3,351,649

E. Gay,
Comptroller General.

E. J. Sinkinson,
Officiating Secretary to the Government of India.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—ENGLAND and INDIA.

NET REVENUE.

	ACCOUNTS, 1887-88.				
	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Land Revenue	23,189,292	47,997	23,141,295	3,486,685	19,654,610
Opium	8,515,462	129	8,515,333	2,424,575	6,090,758
Salt	6,670,728	34,461	6,636,267	410,704	6,225,563
Stamps	3,876,298	44,302	3,831,996	163,414	3,668,582
Excise	4,534,655	33,553	4,501,102	127,078	4,374,024
Provincial Rates	3,035,323	7,970	3,027,353	62,138	2,965,215
Customs	1,348,837	32,076	1,316,761	134,891	1,181,870
Assessed Taxes	1,431,436	19,949	1,411,487	28,679	1,382,808
Forest	1,124,125	2,451	1,121,674	719,794	401,880
Registration	311,253	1,094	310,159	187,260	122,899
Tributes from Native States	743,597	- -	743,597	- -	743,597
	54,781,006	223,982	54,557,024	7,745,218	46,811,806
Deduct,—Assignments and Compensations	- -	- -	- -	- -	1,468,963
TOTAL NET REVENUE	- -	- -	- -	- -	45,342,843

NET EXPENDITURE.

	ACCOUNTS, 1887-88.		
	Gross Expenditure.	Receipts.	Net Expenditure.
	Rx.	*Rx.*	*Rx.*
Interest	5,441,754	746,555	4,695,199
Post Office, Telegraph, and Mint	2,255,829	2,229,546	26,283
Civil Departments	12,906,364	1,495,742	11,410,622
Miscellaneous Civil Charges	4,761,130	1,606,108	3,155,022
Famine Relief and Insurance	91,408	- - -	91,408
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	80,945	- - -	80,945
Railways Revenue Account	16,655,746	14,533,360	2,122,386
Irrigation	2,461,646	1,714,274	747,372
Buildings and Roads	5,451,049	592,338	4,858,711
Army Services	20,417,934	1,060,815	19,357,119
Special Defence Works	456,017	- - -	456,017
	70,979,822	23,978,738	47,001,084
Provincial and Local Surpluses and Deficits	+ 423,685 — 53,094	- - -	+ 370,591
TOTAL NET EXPENDITURE	- - -	- - -	47,371,675
Surplus (+) or Deficit (—)	- - -	- - -	— 2,028,832
			45,342,843

Fort William, Department of Finance and Commerce,
27 March 1889.

E. W. Kellner,
Deputy Comptroller General.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—ENGLAND and INDIA.

NET REVENUE.

REVISED ESTIMATE, 1888-89.					BUDGET ESTIMATE, 1889-90.				
Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
23,202,300	40,900	23,161,400	3,538,900	19,622,500	23,391,700	37,200	23,354,500	3,629,100	19,725,400
8,560,900	200	8,560,700	2,648,500	5,912,200	8,260,000	200	8,259,800	2,364,300	5,895,500
7,676,900	45,300	7,631,600	422,200	7,209,400	8,029,900	31,900	7,998,000	462,000	7,536,000
3,932,200	44,800	3,887,400	154,600	3,732,800	3,959,500	45,600	3,913,900	134,300	3,779,600
4,705,700	27,200	4,678,500	137,900	4,540,600	4,727,300	27,200	4,700,100	154,200	4,545,900
3,019,400	15,000	3,004,400	62,000	2,942,400	3,258,000	8,000	3,250,000	60,500	3,189,500
1,370,000	29,800	1,340,200	134,800	1,205,400	1,418,400	49,400	1,369,000	138,300	1,230,700
1,508,600	17,600	1,491,000	28,400	1,462,600	1,515,300	16,200	1,499,100	28,800	1,470,300
1,325,700	6,800	1,318,900	810,300	508,600	1,269,600	4,300	1,265,300	801,300	464,000
328,800	1,100	327,700	191,700	136,000	331,100	1,100	330,000	194,700	135,300
767,000	- -	767,000	- -	767,000	783,000	- -	783,000	- -	783,000
56,397,500	228,700	56,168,800	8,129,300	48,039,500	56,943,800	221,100	56,722,700	7,967,500	48,755,200
- -	- -	- -	- -	1,479,800	- -	- -	- -	- -	1,541,400
- -	- -	- -	- -	46,559,700	- -	- -	- -	- -	47,213,800

NET EXPENDITURE.

REVISED ESTIMATE, 1888-89.			BUDGET ESTIMATE, 1889-90.		
Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
4,701,200	838,800	3,862,400	4,358,600	734,200	3,624,400
2,167,600	2,240,400	— 72,800	2,268,300	2,328,700	— 60,400
13,038,000	1,480,500	11,557,500	13,291,200	1,464,200	11,827,000
4,895,900	1,796,500	3,099,400	4,823,200	1,340,300	3,482,900
82,900	- - -	82,900	100,500	- - -	100,500
18,000	- - -	18,000	10,200	- - -	10,200
17,692,900	15,428,000	2,264,900	18,713,100	16,686,500	2,026,600
2,630,800	1,838,900	791,900	2,614,700	1,889,300	725,400
5,329,200	588,700	4,740,500	5,482,400	603,700	4,878,700
20,371,500	976,200	19,395,300	20,974,700	944,600	20,030,100
818,300	- - -	818,300	1,102,900	- - -	1,102,900
71,746,300	25,188,000	46,558,300	73,739,800	25,991,500	47,748,300
+ 238,300	- - -	+ 203,100	+ 24,600	- - -	— 640,800
— 35,200			— 665,400		
- - -	- - -	46,761,400	- - -	- - -	47,107,500
- - -	- - -	— 201,700	- - -	- - -	+ 106,300
- - -	- - -	46,559,700	- - -	- - -	47,213,800

E. Gay,
Comptroller General.

E. J. Sinkinson,
Officiating Secretary to the Government of India.

APPENDIX III.

CONTENTS.

		PAGES
TABLE I.	Miscellaneous	66
„ II.	Sea-borne Trade for the Year	68
„ III.	Sea-borne Trade for the first Eleven Months of the Year	69
„ IV.	Wholesale Prices of Typical Commodities in Gold and Silver in London and Calcutta in December in each Year	72
„ V.	Statement showing the true Financial Results to the Revenues of India of the Guarantee of Interest upon the Capital of Guaranteed Railway Companies, excluding the East Indian Railway Company	73
„ VI.	Actual Capital Expenditure on State Railways in 1887-88, and Estimated Expenditure on such Works in 1888-89 and 1889-90, and to end of 1889-90	74
„ VII.	Capital Expenditure on Irrigation—Major Works, in 1887-88, and Estimated Expenditure on such Works in 1888-89, 1889-90, and to the end of 1889-90, &c.	76
„ VIII.	Gross Receipts, Working Expenses, and Net Traffic Receipts, of Guaranteed and State Railways for Five Years ending 1887-88, with Revised Estimates for 1888-89, and Budget Estimates for 1889-90	77
„ IX.	Gross Earnings, Working Expenses, and Net Earnings of Irrigation—Major Works, for Five Years ending 1887-88, with Revised Estimate for 1888-89, and Budget Estimate for 1889-90	79
„ X.	Abstract of Budget Estimates of Capital Transactions of Guaranteed and Subsidised Railways, 1888-89 and 1889-90	81

APPENDIX III.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1880–81.	1881–82.	1882–83.	
Recorded Revenue compared with the recorded Expenditure, excluding Capital Expenditure on Public Works not charged against Revenue:	*Rx.*	*Rx.*	*Rx.*	
Surplus		2,582,727	706,633	1
Deficit	4,044,139			2
Capital Expenditure on Public Works not charged against Revenue.	3,656,505	3,311,423	4,649,898	3
Net Public Debt incurred	5,679,815	—466,636	2,509,150	4
Net Public Debt incurred, including capital transactions with Guaranteed Railway and other Companies.	5,339,444	—773,867	4,105,769	5
Value of commodities exported, excluding Gold and Silver	74,581,000	81,968,000	83,485,000	6
Value of commodities imported, excluding Gold and Silver	53,117,000	49,113,000	52,096,000	7
Excess of Exports over Imports, excluding Gold and Silver	21,464,000	32,855,000	31,389,000	8
Net Imports of Gold	3,655,000	4,844,000	4,931,000	9
Net Imports of Silver	3,893,000	5,379,000	7,480,000	10
TOTAL Net Imports of Gold and Silver	7,548,000	10,223,000	12,411,000	11
Excess of Exports over Imports, including Gold and Silver	13,916,000	22,632,000	18,978,000	12
Grand Total Value of Imports and Exports of all kinds	138,126,000	143,450,001	150,076,000	13
	Rs.	*Rs.*	*Rs.*	
Secretary of State's Bills sold (rupees)	18,32,77,000	22,21,09,350	18,58,56,593	14
	£.	£.	£.	
Sterling equivalent received	15,239,677	16,412,429	15,120,521	15
Silver coined at the Indian Mints	4,249,676	2,186,275	6,508,457	16
Maximum price of an oz. Troy standard silver in London	$52\frac{13}{16}$ (July)	$52\frac{1}{2}$	$52\frac{7}{16}$ (June)	17
Minimum ditto ditto	51 (Jan.)	$50\frac{5}{8}$ (July)	50 (Dec.)	18
	Rs. a.	*Rs. a. p.*		
Maximum price of a sovereign in Calcutta	12 6	12 6 4	—	19
Minimum ditto ditto				
Average exchange upon Secretary of State's Bills sold per rupee	1 *s.* 7·956 *d.*	1 *s.* 7·895 *d.*	1 *s.* 7·525 *d.*	20
Fixed rate of exchange for the adjustment of transactions between the Indian and Imperial Treasuries.	1 *s.* $8\frac{1}{2}$ *d.*	1 *s.* 8 *d.*	1 *s.* 8 *d.*	21
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta.	7 (April)	9 (Feb.)	10 (April)	22
Minimum ditto ditto	3 (Nov. to Jan.)	4 (June)	4 (Sept.)	23
Maximum rate of discount at the Bank of England	3 (April)	6 (Feb.)	5 (Sept.)	24
Minimum ditto ditto	$2\frac{1}{2}$	$2\frac{1}{2}$ throughout first half year.	3 (March)	25
	Rx.	*Rx.*	*Rx.*	
Maximum Money Balances of the three Presidency Banks	7,472,500 (Feb.)	6,097,600 (July)	6,712,300 (Oct.)	26
Minimum ditto ditto	4,442,700 (March)	3,546,700 (Dec.)	3,424,200 (April)	27
Maximum price in Calcutta of Government 4 per cent. Rupee Securities.	$102\frac{1}{2}$ (March)	106-6 (July)	102-4 (Feb.)	28
Minimum ditto ditto	93·10 (May)	99-8 (Aug.)	99 (Oct.)	29
	Rx.	*Rx.*	*Rx.*	
Maximum amount outstanding on London Register of Rupee Securities enfaced for interest drafts.	19,739,473 (June)	21,525,400 (Feb.)	21,420,700 (Feb.)	30
Minimum ditto ditto	18,719,445 (Jan.)	19,013,600 (April)	21,059,000 (Aug.)	31
Maximum price in London of 4 per cent. Rupee Securities (in gold).	$84\frac{1}{4}$ (Feb.)	87 (July)	$85\frac{7}{16}$ (May)	32
Minimum ditto ditto	78 (May)	$82\frac{1}{2}$ (Sept.)	$75\frac{1}{2}$ (Dec.)	33
	Rx.	*Rx.*	*Rx.*	
Maximum Government Paper Currency outstanding	14,513,100 (Dec.)	14,422,600 (Sept.)	16,412,200 (Dec.)	34
Minimum ditto ditto	12,528,400 (April)	12,692,200 (April)	13,584,700 (April)	35
Number of Savings Banks	388	372	349	36
Number of Depositors in Savings Banks	107,778	114,942	109,349	37
	Rx.	*Rx.*	*Rx.*	
Amount deposited in Savings Banks	3,213,671	3,272,649	3,616,405	38
Average of each deposit	29	28	33	39
Net addition to deposits	930,848	58,978	343,756	40

APPENDIX III.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.	Revised Estimate, 1888-89.	Budget, 1889-90.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
1	1,387,496	- - -	- - -	178,427	- - -	- - -	106,300
2	- - -	149,735	2,801,726	- - -	2,028,832	201,700	—
3	3,992,029	5,392,898	5,275,364	5,670,484	2,784,824	1,857,800	4,089,500
4	3,062,953	1,193,924	3,584,979	9,727,538	5,495,799	13,413,500	5,854,100
5	2,219,364	801,966	7,735,903	9,043,165	4,861,672	10,062,800	2,091,100
6	88,176,000	83,255,000	83,881,000	88,470,000	90,544,000	—	—
7	55,279,000	55,703,000	55,656,000	61,777,000	65,005,000	—	—
8	32,897,000	27,552,000	28,225,000	26,693,000	25,539,000	—	—
9	5,463,000	4,672,000	2,763,000	2,177,000	2,992,000	—	—
10	6,405,000	7,246,000	11,607,000	7,156,000	9,229,000	—	—
11	11,868,000	11,918,000	14,370,000	9,333,000	12,221,000	—	—
12	21,029,000	15,634,000	13,855,000	17,360,000	13,318,000	—	—
13	157,344,000	154,817,000	156,123,000	163,021,000	170,979,000	—	—
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rx.*	
14	21,62,15,462	17,10,22,119	13,53,25,369	16,70,03,150	21,81,24,000	20,96,43,000	21,52,07,000
	£.	£.	£.	£.	£.		
15	17,599,805	13,758,909	10,292,692	12,136,279	15,358,576	—	—
16	5,663,400	5,794,200	10,285,566	4,616,537	10,841,366	—	—
17	51 1/8 (Feb.)	51 (April)	50 5/16 (May)	47 1/8 (Jan.)	45 1/8 (Dec.)	44 5/16 (Sept.)	—
18	50 5/16 (May and June).	48 7/8 (Feb.)	46 7/16 (Jan.)	42 (Aug.)	43 (Mar.)	41 3/4 (May)	—
19	—	—	—	—	—	—	—
20	1 *s.* 7·536 *d.*	1 *s.* 7·308 *d.*	1 *s.* 6·254 *d.*	1 *s.* 5·440 *d.*	1 *s.* 4·898 *d.*	1 *s.* 4·38 *d.*	1 *s.* 4·38 *d.*
21	1 *s.* 7 3/8 *d.*	1 *s.* 7 1/2 *d.*	1 *s.* 7 1/4 *d.*	1 *s.* 6 1/4 *d.*	1 *s.* 6 *d.*	1 *s.* 5 *d.*	1 *s.* 4 1/2 *d.*
22	9 (Mar.)	11 (April and May)	9 (May)	8 (June, July, Feb. and March)	9 (April and May)	12 (Feb. and Mar.)	—
23	5	3 (Nov. and Dec.)	4 (From July to Jan.)	5 (Nov., Dec., & Jan.)	3 (Oct. to Dec.)	4 (May to Sept.)	—
24	4	5 (Nov., Dec. & Jan.)	4 (Dec.)	5 (Dec. and Jan.)	4 (Sept. to Jan.)	5 (Oct. to Jan.)	—
25	3	2 (June to Sept.)	2 (May to Nov.)	2 (April & May)	2 (April to Aug.)	2 (April & May)	—
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	
26	5,556,700 (Aug.)	5,731,200 (Nov.)	6,486,800 (Dec.)	4,594,600 (June)	3,595,900 (Feb. & Mar.)	4,385,500 (June)	—
27	3,167,100 (Jan.)	2,991,900 (May)	3,638,800 (May)	3,296,500 (Sept.)	2,861,500 (Dec.)	2,791,900 (Nov.)	—
28	101-1 (April)	101-12 (June)	99-14 (July)	98-2 (Sept.)	100 (Oct.)	101-1 (Sept.)	—
29	94-8 (Feb.)	94-12 (March)	91-12 (May)	95 (Feb.)	95-4 (April)	96-6 (Jan.)	
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	
30	21,405,500 (May)	21,008,000 (May)	20,562,400 (April)	19,710,300 (Oct.)	20,816,900 (March)	20,900,600 (April)	—
31	20,626,200 (Aug.)	20,594,300 (Feb.)	19,179,300 (Jan.)	19,056,200 (Mar.)	18,919,500 (Oct.)	21,878,500 (Oct.)	—
32	81 7/8 (April)	82 1/2 (May)	78 1/2 (July)	73 1/4 (Nov.)	70 7/8 (Sept.)	69 1/4 (Sept.)	—
33	77 1/4 (Jan.)	74 (March)	71 3/4 (Jan.)	65 1/8 (Aug.)	67 (April)	65 1/2 (May)	—
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	
34	14,517,800 (Nov.)	15,762,700 (Nov.)	15,713,500 (Oct.)	14,678,200 (Nov.)	18,610,300 (Nov.)	18,055,300 (July)	—
35	12,023,300 (Feb.)	12,342,500 (April)	13,017,900 (April)	13,779,400 (April)	13,479,600 (April)	14,736,000 (Feb.)	—
36	555	5,859	6,236	6,230	6,152	—	—
37	203,951	243,037	263,196	289,277	332,176	—	—
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*		
38	4,005,930	4,687,082	5,081,183	5,795,249	6,675,571	—	—
39	19	19	19	20	20	—	—
40	389,525	681,152	394,101	714,066	+ 880,322	—	—

APPENDIX III.—*continued.*

TABLE II.—SEA-BORNE TRADE for the YEAR. (Principal ARTICLES arranged in Order of their DECLARED VALUE.)

No.	EXPORTS.		1883-84.	1884-85.	1885-86.	1886-87.	1887-88.
1	Cotton—						
	Raw:						
	Quantity	*Cwt.*	5,979,494	5,066,057	4,189,718	5,432,648	5,374,542
	Value	*Rx.*	14,383,728	13,286,367	10,777,204	13,468,429	14,412,842
	Average declared value per lb. — *Annas*		*As.* 3 5	*As.* 3 9	*As.* 3 8	*As.* 3 6	*As.* 3 10
	Average declared value per lb. — *Pence, at average exchange*		4·17	4·53	4·18	3·81	4·05
	Twist and Yarn:						
	Quantity	*Lbs.*	49,876,606	65,897,183	78,241,771	91,804,244	113,451,375
	Value	*Rx.*	1,926,162	2,441,101	2,755,252	3,336,861	4,077,386
	Average declared value per lb.	*Annas*	*As.* 6 2	*As.* 5 11	*As.* 5 8	*As.* 5 10	*As.* 5 9
	Other manufactures:						
	Value	*Rx.*	927,008	896,929	880,258	945,644	1,150,542
	Average declared value per yard — Grey or unbleached	*Annas*	*As.* 1 9	*As.* 1 9	*As.* 1 9	*As.* 1 10	*As.* 1 10
	Average declared value per yard — Coloured, printed, or dyed	"	*As.* 4 7	*As.* 4 10	*As.* 3 9	*As.* 4 7	*As.* 4 5
	Percentage of manufactures on whole value exported	-	16·55	20·08	25·22	24·13	26·62
2	Opium:						
	Quantity	*Chests*	91,963	86,578	87,956	95,839	90,096
	Value	*Rx.*	11,294,460	10,882,606	10,735,518	11,077,669	10,067,764
	Average declared value per chest	*Rupees*	1,228	1,257	1,221	1,156	1,117
3	Seeds:						
	Quantity	*Cwt.*	17,355,588	18,250,688	17,280,147	15,866,604	16,060,400
	Value	*Rx.*	10,083,758	10,745,203	9,948,350	9,198,560	9,385,024
	Average declared value of linseed, per cwt. — *Rupees*	-	5 5 10	5 9 10	5 13 1	5 15 9	5 13 8
	Average declared value of linseed, per cwt. — *Shillings, at average exchange*	-	8·73	9·03	8·85	8·70	8·24
4	Rice and Paddy:						
	Quantity	*Cwt.*	27,039,859	22,051,532	28,222,595	26,879,272	28,534,057
	Value	*Rx.*	8,362,080	7,192,198	9,247,126	8,836,827	9,291,686
	Average declared value of husked rice, per cwt. — *Rupees*	-	3 1 8	3 4 6	3 4 9	3 5 —	3 4 5
	Average declared value of husked rice, per cwt. — *Shillings, at average exchange*	-	5·05	5·28	5·01	4·81	4·61
5	Jute:						
	Raw and manufactured—Value	*Rx.*	5,926,780	6,205,238	5,486,171	6,021,672	7,786,739
	Average declared value of raw jute per cwt. — *Rupees*	-	6 8 8	5 9 1	5 9 6	5 13 10	6 4 3
	Average declared value of raw jute per cwt. — *Shillings, at average exchange*	-	10·65	8·96	8·50	8·52	8·82
	Percentage of manufactures on whole value exported	-	22·51	24·88	20·61	19·13	22·43
6	Wheat:						
	Quantity	*Cwt.*	20,956,495	15,830,754	21,060,519	22,263,320	13,538,169
	Value	*Rx.*	8,877,561	6,309,140	8,002,350	8,625,864	5,562,373
	Average declared value per cwt. — *Rupees*	-	4 3 9	3 15 9	3 12 9	3 14 —	4 1 9
	Average declared value per cwt. — *Shillings, at average exchange*	-	6·89	6·41	5·78	5·63	5·79
7	Tea:						
	Quantity	*Lbs.*	59,911,703	64,162,055	68,784,249	78,702,857	87,514,505
	Value	*Rx.*	4,083,880	4,044,759	4,306,133	4,727,992	5,174,440
	Average declared value per lb. — *Annas*	-	*As.* 10 11	*As.* 10 1	*As.* 10 —	*As.* 9 7	*As.* 9 6
	Average declared value per lb. — *Shillings, at average exchange*	-	1·11	1·01	·95	·87	·84
8	Hides and Skins:						
	Quantity	*No.*	28,153,063	29,164,677	32,376,309	31,860,787	30,914,151
	Value	*Rx.*	4,663,736	4,934,340	5,334,602	5,149,218	4,852,382
	Percentage of dressed or manufactured on whole value	-	46·90	42·07	43·91	45·40	52·07
9	Indigo:						
	Quantity	*Cwt.*	168,590	154,629	132,495	138,396	139,644
	Value	*Rx.*	4,640,991	4,068,900	3,783,160	3,691,677	3,890,649
	Average declared value per cwt. — *Rupees*	-	275 4 6	263 2 3	285 8 6	266 11 11	278 9 9
	Average declared value per cwt. — *Sterling, at average exchange*	*Rx.*	22·40	21·17	21·72	19·38	19·62
10	Coffee:						
	Quantity	*Cwt.*	340,025	328,317	371,027	370,458	273,775
	Value	*Rx.*	1,438,863	1,245,506	1,348,395	1,502,251	1,529,680
	Average declared value per cwt. — *Rupees*	-	42 5 1	37 15 —	36 5 6	40 8 10	55 14 —
	Average declared value per cwt. — *Shillings, at average exchange*	-	68·87	61·05	55·28	58·94	78·68
11	Wool:						
	Raw and manufactured—Value	*Rx.*	876,541	831,919	953,069	985,484	1,086,404
	Average declared value of raw wool per lb. — *Annas*	-	*As.* 6 —	*As.* 6 —	*As.* 6 —	*As.* 6 2	*As.* 6 6
	Average declared value of raw wool per lb. — *Pence, at average exchange*	-	7·32	7·24	6·85	6·72	6·86
12	Silk:						
	Raw and manufactured—Value	*Rx.*	913,345	792,354	661,835	802,443	860,107
	Average declared value of raw silk per lb. — *Rupees*	-	3 14 8	2 15 4	2 4 11	3 — 11	2 15 4
	Average declared value of raw silk per lb. — *Shillings, at average exchange*	-	6·37	4·76	3·51	4·44	4·17
13	Lac:						
	Value	*Rx.*	556,739	599,399	588,286	520,169	501,888
14	Oils:						
	Value	*Rx.*	495,977	534,041	395,563	458,812	471,055
15	Sugar:						
	Value	*Rx.*	943,218	546,069	525,412	504,803	465,829
16	Teak Wood:						
	Quantity	*Cubic Tons*	46,471	47,556	50,076	23,946	40,446
	Value	*Rx.*	525,447	532,129	550,515	223,154	367,274
	Average declared value per cubic ton — *Rupees*	-	113 1 1	111 14 4	109 15 —	93 3 1	90 12 11
	Average declared value per cubic ton — *Sterling, at average exchange*	£.	9·20	9·00	8·36	6·77	6·39
17	Saltpetre:						
	Quantity	*Cwt.*	491,668	451,917	402,174	397,572	386,396
	Value	*Rx.*	464,410	425,000	370,200	376,091	364,016
	Average declared value per cwt. — *Rupees*	-	9 7 2	9 6 6	9 3 3	9 7 4	9 6 9
	Average declared value per cwt. — *Shillings, at average exchange*	-	15·38	15·14	14·00	13·75	13·27

APPENDIX III.—*continued.*

TABLE II.—Sea-borne Trade for the Year, &c.—*continued.*

No.	IMPORTS.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.
1	Cotton—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	45,379,516	45,801,397	45,916,126	49,014,194	51,543,277
	Value - - - - - - - - - *Rx.*	3,465,968	3,360,540	3,172,178	3,318,404	3,582,033
	Average declared value per lb. *Annas* - - - - -	12·22	11·74	11·05	10·83	11·12
	Average declared value per lb. *Pence, at average exchange* - -	1 *s.* 2·92 *d.*	1 *s.* 2·17 *d.*	1 *s.* 0·60 *d.*	0 *s.* 11·8 *d.*	0 *s.* 11·74 *d.*
	Other Manufactures:					
	Value - - - - - - - - - *Rx.*	21,651,392	21,207,106	21,124,848	25,853,827	23,030,241
	TOTAL COTTON GOODS—Gross Imports - *Rx.*	25,117,360	24,567,646	24,297,026	29,172,231	27,512,274
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	*1,344,396*	*958,419*	*1,082,610*	*1,319,248*	*1,058,963*
	Value - - - - - - - - - *Rx.*	*86,857*	*65,516*	*66,303*	*81,146*	*69,345*
	Other Manufactures:					
	Value - - - - - - - - - *Rx.*	*1,399,010*	*1,183,088*	*1,368,715*	*1,490,700*	*1,648,312*
	Total Re-exports - *Rx.*	*1,485,867*	*1,248,604*	*1,435,018*	*1,571,846*	*1,717,657*
	TOTAL COTTON GOODS—Net Imports - *Rx.*	23,631,493	23,319,042	22,862,008	27,600,385	25,794,617
2	Metals - - - - - - - - - *Value Rx.*	5,380,181	4,978,577	4,986,307	4,845,736	5,575,392
3	Railway plant and rolling stock - - - „	2,870,942	2,830,082	4,317,565	3,327,832	3,826,264
4	Silk (Raw and Manufactured) - - - - „	2,170,923	2,020,917	1,830,960	2,177,111	2,918,139
5	Sugar - - - - - - - - - „	1,148,370	2,140,838	1,458,097	2,080,540	2,113,617
6	Machinery and mill-work - - - - - „	1,839,816	1,570,824	1,057,833	1,429,764	1,860,583
7	Woollen Manufactures - - - - - - „	1,372,403	1,326,669	1,463,023	1,660,905	1,823,358
8	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - - - - - - *Tons*	681,244	713,972	770,517	740,155	821,626
	Value - - - - - - - - - *Rx.*	1,104,788	1,199,739	1,249,710	1,258,793	1,599,593
	Average declared value per ton *Rupees* - - - - - -	16·22	16·80	16·22	17·01	19·47
	Average declared value per ton *Shillings, at average exchange* - -	26·40	27·03	24·67	24·72	27·42
9	Liquors - - - - - - - - - *Value Rx.*	1,554,819	1,360,280	1,387,143	1,474,643	1,506,667
10	Provisions - - - - - - - - - „	1,033,932	1,103,321	1,191,881	1,179,474	1,504,436
11	Oils - - - - - - - - - - „	654,228	1,229,497	961,130	1,408,430	1,486,791
12	Apparel - - - - - - - - - „	909,084	890,923	956,097	1,001,848	1,156,182
13	Spices - - - - - - - - - „	557,109	602,165	718,678	663,845	931,518
14	Salt:					
	Quantity - - - - - - - - - *Tons*	383,090	412,839	363,083	416,592	423,897
	Value - - - - - - - - - *Rx.*	623,011	649,233	596,048	768,987	795,521
	Average declared value per ton - *Rupees* - - - - - -	16·26	15·73	16·42	18·46	18·77
	Average declared value per ton - *Shillings, at average exchange* - -	26·46	25·31	24·97	26·83	26·43

TABLE III.—SEA-BORNE TRADE for the first ELEVEN MONTHS of the Year. (Principal ARTICLES arranged in Order of their DECLARED VALUE.)

	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Value of commodities Exported, excluding gold and silver	74,457,959	74,380,930	79,157,402	81,366,106	86,428,508
Value of commodities Imported, excluding gold and silver	50,852,346	50,404,672	56,029,666	58,544,193	63,380,833
EXCESS EXPORTS - - - *Rx.*	23,605,613	23,976,258	23,127,736	22,821,913	23,047,675
Net Imports of silver - - - - - - - -	6,441,677	10,180,734	6,158,858	8,061,245	7,049,572
Net Imports of gold - - - - - - - -	4,596,926	2,369,208	1,730,585	2,951,713	2,300,909
TOTAL NET IMPORTS of Gold and Silver - - *Rx.*	11,038,603	12,549,942	7,889,443	11,012,958	9,350,481
GRAND TOTAL IMPORTS AND EXPORTS OF ALL KINDS - - - - - *Rx.*	140,001,659	139,521,800	146,442,972	153,822,459	162,416,638

APPENDIX III.—*continued.*

TABLE III.—Sea-borne Trade for the first Eleven Months of the Year, &c.—*continued.*

No.	EXPORTS.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1884-85.	1885-86.	1886-87.	1887-88.	1888-89.
1	Cotton, Raw:					
	Quantity - - - - - *Cwt.*	4,503,678	3,387,909	4,536,417	4,657,287	4,343,527
	Value - - - - - *Rx.*	11,812,642	8,786,171	11,226,193	12,332,010	12,214,412
	Average value per lb. - - - *Rs.*	- 3 9	- 3 8	- 3 6	- 3 9	- 4 -
	Cotton Manufactures—					
	Twist and Yarn:					
	Quantity - - - - *Lbs.*	61,006,927	69,489,658	82,676,694	103,729,341	115,742,033
	Value - - - - - *Rx.*	2,260,719	2,445,421	3,018,559	3,717,994	4,670,185
	Average value per lb. - - *Rs.*	- 5 11	- 5 8	- 5 10	- 5 9	- 6 5
	Other Manufactures—Value - - *Rx.*	791,859	805,155	865,600	1,043,887	1,089,361
	TOTAL COTTON (Raw and Manufactured) - - *Rx.*	14,865,220	12,036,747	15,110,352	17,093,891	17,973,958
2	Jute (Raw and Manufactured) *Value Rx.*	5,889,800	5,016,489	5,430,353	7,259,139	9,722,433
3	Opium:					
	Quantity - - - - *Chests*	79,247	80,382	88,070	82,613	79,110
	Value - - - - - *Rx.*	9,977,646	9,822,278	10,191,881	9,232,336	9,460,587
	Average value per chest - - *Rs.*	1,259 - 11	1,221 15 2	1,157 4 -	1,117 8 8	1,195 14 -
4	Seeds:					
	Quantity - - - - - *Cwt.*	16,239,624	15,760,875	14,849,048	15,077,692	14,605,680
	Value - - - - - *Rx.*	9,543,640	9,029,893	8,590,881	8,789,736	8,958,440
	Average value per cwt. - - *Rs.*	5 14 -	5 11 8	5 12 7	5 13 3	6 2 2
5	Wheat:					
	Quantity - - - - - *Cwt.*	14,263,914	20,216,118	21,659,241	13,031,489	16,829,114
	Value - - - - - *Rx.*	5,721,098	7,685,063	8,373,563	5,348,318	7,166,562
	Average value per cwt. - - *Rs.*	4 - 2	3 12 10	3 13 10	4 1 9	4 4 2
6	Rice and Paddy:					
	Quantity - - - - - *Cwt.*	16,630,191	21,408,823	20,597,925	22,411,006	17,555,987
	Value - - - - - *Rx.*	5,637,598	7,133,649	6,968,866	7,409,021	6,102,539
	Average value per cwt. - - *Rs.*	3 6 3	3 5 4	3 6 2	3 4 11	3 7 7
7	Tea:					
	Quantity - - - - - *Lbs.*	62,413,413	67,827,916	77,543,424	86,831,319	95,824,272
	Value - - - - - *Rx.*	3,934,628	4,245,219	4,665,307	5,137,612	5,209,613
	Average value per lb. - - - *Rs.*	- 10 1	- 10 -	- 9 8	- 9 6	- 8 8
8	Hides and Skins:					
	Quantity - - - - - *Cwt.*	870,298	963,109	875,558	770,128	757,884
	Value - - - - - *Rx.*	4,279,517	4,659,631	4,561,806	4,291,598	4,278,511
	Average value per cwt. - - *Rs.*	49 2 9	48 6 1	52 1 8	55 11 7	56 6 2
9	Indigo:					
	Quantity - - - - *Cwt.*	144,722	126,044	128,902	129,018	133,121
	Value - - - - - *Rx.*	3,835,117	3,629,759	3,472,657	3,638,526	3,740,370
	Average value per cwt. - - *Rs.*	265 - -	287 15 7	269 6 5	282 - 3	280 15 7
10	Coffee:					
	Quantity - - - - - *Cwt.*	257,116	273,609	294,071	210,142	285,497
	Value - - - - - *Rx.*	951,191	975,846	1,125,480	1,183,220	1,433,281
	Average value per cwt. - - *Rs.*	36 15 11	35 10 8	38 4 4	56 4 11	50 3 3
11	Wool (Raw and Manufactured) *Value Rx.*	758,953	853,955	917,475	992,513	1,008,990
12	Silk (Raw and Manufactured) ,,	715,962	602,723	702,303	763,774	713,036
13	Teak:					
	Quantity - - - *Cubic Tons*	43,795	47,480	21,607	36,409	48,469
	Value - - - - - *Rx.*	490,654	524,417	200,158	323,902	531,801
	Average value per cubic ton - *Rs.*	112 - 7	110 7 2	92 10 2	88 15 5	109 11 6
14	Sugar - - - - - - - *Rx.*	538,358	463,269	470,272	424,369	473,888
15	Oils - - - - - - - *Rx.*	446,279	352,454	406,925	417,470	380,603
16	Saltpetre:					
	Quantity - - - - *Cwt.*	392,503	370,623	350,257	349,351	387,775
	Value - - - - - *Rx.*	369,646	340,199	329,148	329,515	369,503
	Average value per cwt. - - *Rs.*	9 6 8	9 2 10	9 6 4	9 6 11	9 8 6
17	Lac - - - - - - - *Rx.*	534,028	529,711	458,583	458,524	353,413

APPENDIX III.—*continued.*

TABLE III.—Sea-borne Trade for the first Eleven Months of the Year, &c.—*continued.*

No.	IMPORTS.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1884-85.	1885-86.	1886-87.	1887-88.	1888-89.
1	COTTON—					
	Twist and Yarn:					
	Quantity - - - - *Lbs.*	42,652,756	41,038,974	43,504,229	46,098,900	48,209,848
	Value - - - - - *Rx.*	3,139,078	2,852,513	2,960,518	3,189,532	3,446,031
	Average value per lb. - - *Rs.*	- 11 9	- 11 1	- 10 11	- 11 1	- 11 5
	Ditto - in sterling, at average exchange.	1 *s.* 2¼ *d.*	1 *s.* -⅝ *d.*	1 *s.* - *d.*	- *s.* 11¾ *d.*	- *s.* 11¾ *d.*
	Other Manufactures - *Value* *Rx.*	19,292,548	18,973,701	23,578,344	21,593,462	25,234,914
	TOTAL COTTON GOODS—Gross Imports - - *Rx.*	22,431,626	21,826,214	26,538,862	24,782 994	28,680,945
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - Lbs.	*862,546*	*1,008,115*	*1,252,289*	*910,704*	*1,525,866*
	Value - - - - - Rx.	*58,158*	*61,632*	*76,695*	*58,858*	*105,979*
	Average Value per lb. - - Rs.	*- 10 9*	*- 9 9*	*- 9 10*	*- 10 4*	*- 11 1*
	Other Manufactures - Value Rx.	*1,075,055*	*1,267,783*	*1,351,181*	*1,481,772*	*1,537,813*
	Total Re-exports - - - Rx.	*1,133,213*	*1,329,415*	*1,427,876*	*1,540,630*	*1,643,792*
	TOTAL COTTON GOODS—Net Imports - - *Rx.*	21,298,413	20,496,799	25,110,986	23,242,364	27,037,153
2	Metals - - - - *Value Rx.*	4,546,007	4,502,923	4,262,191	4,952,260	3,947,320
3	Railway Plant and Rolling Stock. „	2,574,066	3,854,058	3,117,919	3,322,923	3,504,251
4	Silk (Raw and Manufactured) - „	1,896,309	1,732,387	2,000,998	2,088,346	2,399,327
5	Machinery and Millwork - „	1,441,243	979,235	1,252,302	1,649,858	2,184,981
6	Oils - - - - - - „	1,127,285	821,644	1,235,681	1,337,586	1,889,799
7	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - *Tons*	588,173	679,475	648,651	708,599	756,766
	Value - - - - - *Rx.*	985,394	1,097,144	1,076,688	1,367,428	1,726,986
	Average Value per Ton - *Rs.*	16 12 1	16 2 4	16 9 7	19 4 9	22 13 2
8	Woollen Manufactures - *Value Rx.*	1,250,370	1,380,889	1,581,179	1,719,112	1,619,659
9	Sugar - - - - - - „	1,926,411	1,379,888	1,959,382	1,848,829	1,582,199
10	Provisions - - - - - „	1,016,958	1,104,391	1,081,645	1,389,890	1,483,457
11	Liquors - - - - - - „	1,227,760	1,264,426	1,317,005	1,349,099	1,369,770
12	Apparel - - - - - - „	823,997	871,117	909,646	1,055,797	1,054,237
13	Salt:					
	Quantity - - - - *Tons*	385,543	332,291	379,617	411,158	364,381
	Value - - - - - *Rx.*	601,761	542,266	695,295	760,708	805,278
	Average Value per Ton - *Rs.*	15 '9 9	16 5 1	18 5 1	18 8 -	22 1 7
14	Spices - - - - *Vaiue Rx.*	539,636	659,516	608,298	845,118	758,496

APPENDIX III.—*continued.*

TABLE IV.—WHOLESALE PRICES of TYPICAL COMMODITIES in GOLD and SILVER in *London* and *Calcutta* in December in each Year.

(Prices of March 1873 = 100.)

	Measured in Gold.								Measured in Silver.*							
In LONDON— Prices quoted from the London "Economist"):	1881.	1882.	1883.	1884.	1885.	1886.	1887.	1888.	1881.	1882.	1883.	1884.	1885.	1886.	1887.	1888.
Scotch pig-iron (warrants)	44	41	36	36	35	37	37	35	51	49	42	43	45	48	49	50
Coals, Hetton, Wallsend (London).	51	54	54	52	51	51	49	51	59	65	63	62	66	67	66	71
Copper, Chili bars	79	73	65	54	45	43	95	87	91	87	76	64	58	56	127	121
Straits tin	76	64	58	52	64	69	115	68	88	76	68	62	81	89	153	95
Wheat	80	74	70	57	55	61	56	55	92	88	82	68	69	80	74	78
Flour, town-made	91	71	67	54	53	56	54	61	105	85	78	65	68	71	73	85
Beef, inferior	97	97	97	98	75	75	75	67	112	116	113	117	95	97	100	95
Cotton, No. 40, mule twist	77	70	69	70	64	60	62	65	89	84	81	83	82	77	84	91
Wool, Southdown hogs	68	59	61	52	51	59	55	54	78	71	71	63	65	76	73	75
Sugar, foreign Muscovado	71	62	64	44	60	42	56	53	82	74	75	52	77	55	75	75
Coffee	64	74	83	66	65	86	102	101	74	88	97	79	83	111	136	142
Saltpetre	105	90	87	81	78	77	77	77	121	108	102	97	100	99	103	107
Gold	–	–	–	–	–	–	–	–	115	119	117	119	127	130	134	140
Silver	87	84	85	84	79	77	75	71	–	–	–	–	–	–	–	–
In CALCUTTA—(Prices quoted from the "Calcutta Price Current"):																
Grey shirtings (8¼ lbs.)									78	75	74	76	80	81	79	81
Mule twist, white, good, No. 40									81	75	75	72	71	62	72	75
„ „ Turkey red, No. 40 (12 lbs.)									69	55	65	58	57	58	58	57
„ „ Orange, No. 40—60									85	80	82	78	73	75	86	85
Copper, sheathing									87	79	77	65	58	65	90	99
Iron, flat, bolt, bar, and square									65	60	62	54	50	53	59	65
Spelter, hard									96	125	79	84	97	109	128	107
Hides, buffalo, slaughtered									88	87	72	71	77	80	69	74
Indigo, good									113	101	116	103	110	72	82	93
Jute, picked									140	96	164	110	118	131	153	192
Lacdye, fine									36	27	–	–	–	–	–	–
Shell lac, fine orange									93	80	98	56	59	56	68	76
Linseed, fine, bold, clean									93	86	95	95	101	98	94	112
Rice, Ballam									97	109	138	139	176	106	118	147
Silk, raw, Cossimbazar									86	78	66	60	73	89	64	76
Tea, good Souchong									82	59	64	55	64	55	50	52
Wheat, Doodiah									92	84	85	66	72	81	76	87
Gold									112	115	112	119	122	123	131	135

* The values measured in silver in London have been calculated from the values in gold on the basis of the price of standard silver in London.

APPENDIX III.—*continued.*

TABLE V.—STATEMENT showing the true Financial Results to the REVENUES of *India* of the Guarantee of Interest upon the Capital of GUARANTEED RAILWAY COMPANIES.

	1883–84.	1884–85.	1885–86.	1886–87.	1887–88.	1888–89.		1889–90.
						Budget Estimate.	Revised Estimate.	Budget Estimate.
	Miles.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open Mileage at end of official year.	4,636	4,528	* 3,921	3,896	3,912	3,910	†3,219½	3,219½
Gross Traffic Receipts - - *Rx.*	7,836,085	7,606,685	7,809,537	7,280,512	7,241,465	6,985,000	7,344,000	6,917,500
Working Expenses - - *Rx.*	4,147,892	4,128,385	4,084,462	3,633,396	3,604,795	3,580,000	3,691,500	3,357,500
Percentage of Working Expenses on Receipts - - - *Rx.*	52·86	54·27	52·30	49·91	49·78	51·25	50·27	48·54
Net Traffic Receipts - - *Rx.*	3,688,143	3,478,300	3,725,075	3,647,116	3,636,670	3,405,000	3,652,500	3,560,000
Net gain by the remittance to England of Capital Receipts and Disbursements in India at the contract rates of exchange, instead of at the average yearly rates obtained for the Secretary of State's bills - - - *Rx.*	- -	1,036	—	—	—	—	—	—
TOTAL Revenue - *Rx.*	3,688,143	3,479,336	3,725,075	3,647,116	3,636,670	3,405,000	3,652,500	3,560,000
Gross Guaranteed Interest paid in India - - - - *Rx.*	12,521	29,650	49,767	10,648	25,595	8,500	7,200	30,100
Gross Guaranteed Interest paid in London - - - - £.	3,284,241	3,217,240	3,180,735	2,696,976	2,694,920	2,722,000	2,697,800	2,327,000
Total Guaranteed Interest (sterling payments converted at the average exchange of the year) *Rx.*	4,047,246	4,028,654	4,231,707	3,721,864	3,852,947	3,873,700	3,959,500	3,439,100
Surplus paid to Railway Companies - - - - - *Rx.*	569,946	431,495	397,129	534,598	662,622	470,000	524,300	612,500
Land and Supervision - - *Rx.*	67,326	61,457	79,553	66,235	51,436	57,500	44,800	37,500
Interest on Revenue Balances *Rx.*	1,872	1,865	1,419	1,827	2,265	3,000	3,300	—
Net Loss on Receipts and Disbursements of Capital in India, calculated in the same way as the gain - - - - *Rx.*	86,675	- -	48,006	115,343	78,683	93,200	103,900	92,010
TOTAL Expenditure - *Rx.*	4,773,065	4,523,471	4,757,814	4,439,867	4,647,953	4,497,400	4,635,800	4,181,110
Net Expenditure from the Public Treasury - - - - *Rx.*	1,084,922	1,044,135	1,032,739	792,751	1,011,283	1,092,400	983,300	621,110

* The Sind, Punjab, and Delhi Railway, 691 miles, was purchased by the State on 1st January 1886, and the mileage is shown under State Railways.

† The Oudh and Rohilkhund Railway, 692 miles, was purchased by the State on 31st December 1888, and the mileage is shown under State Railways.

APPENDIX III.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS in 1887–88, and ESTIMATED EXPENDITURE on such Works in 1888–89 and 1889–90, and to End of 1889–90.

RAILWAYS.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	To End of 1889-90.	Sanctioned Outlay.	Balance remaining Unspent.
OPEN LINES.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	58,287	5,000	130,000	14,331,735	14,331,735	—
Rajputana-Malwa	126,558	28,700	30,800	9,312,425	9,312,425	—
Holkar	884	1,700	4,900	1,303,195	1,303,195	—
Rewari-Ferozepore	—14,319	5,300	9,500	1,274,563	1,274,563	—
Bhopal	- -	- -	- -	131,057	131,057	—
Wardha Coal	—14,180	—2,500	1,300	710,020	710,020	—
Umaria Colliery	15,353	12,800	12,000	99,016	99,016	—
Burma	22,780	84,180	19,050	2,994,765	2,994,765	—
Jorhat	5,416	3,500	400	72,983	72,983	—
Cherra-Companygunj	10,354	1,520	- -	76,054	76,054	—
Eastern Bengal	206,858	132,470	198,950	6,737,130	6,737,130	—
Tirhoot	34,577	19,600	15,000	2,117,018	2,117,018	—
Assam-Behar—Tirhoot Section	41,042	74,200				
Patna-Gya	2,403	6,200	5,000	437,675	437,675	—
Nalhati	—23	650	- -	35,032	35,032	—
Kaunia-Dhurla	—185	—1,000	—200	95,028	95,028	—
Oudh and Rohilkhund	- -	10,395,400	53,200	10,448,600	10,448,600	—
Dildarnagar-Ghazipur	—3	340	- -	70,642	70,642	—
Cawnpore-Achnera	—9,882	14,300	5,000	1,167,651	1,167,651	—
Bareilly-Pilibhit	1,772	680	1,200	153,844	153,844	—
Lucknow-Sitapur-Seramau	65,360	13,960	10,000	394,962	512,690	117,728
North Western:						
Ordinary works	952,113	84,600	129,200	24,687,166	24,687,166	—
Military requirements		800	83,200			
Sind-Pishin (main line)	164,172	205,260	124,400	4,866,709	4,866,709	—
Amritsar-Pathankot	—1,098	700	1,900	562,329	562,329	—
Villupuram-Dharmaveram—Nellore Branch	85,765	14,140	—10,000	630,716	630,716	—
Dhond and Manmad	1,217	2,700	3,500	1,101,644	1,101,644	—
TOTAL	1,755,221	11,105,200	828,100	83,811,959	83,929,687	117,728
LINES UNDER CONSTRUCTION.						
North Western—Gradient Improvements	*	25,700	300,000	208,991	500,000	291,009
East Indian—Barrakar Branch	- -	- -	110,000	110,000	†110,000	—
Bhopal (alterations and improvements)	- -	- -	20,000	20,000	†20,000	—
Tounghoo-Mandalay Extension	1,056,938	741,520	42,660	2,066,679	2,044,434	‡—22,245
Mu Valley	- -	- -	200,000	200,000	§2,160,000	1,960,000
Assam-Behar—Assam-Behar Section	172,494	222,900	87,300	1,116,976	1,155,382	38,406
Sind-Sagar—Western Section	230,817	187,600	49,400	2,171,145	2,509,867	338,722
Chenab Bridge	9,211	226,700	171,100	407,011	§407,500	489
Peshawar Jumrood	- -	- -	70,000	70,000	§70,000	—
Sind-Pishin—Chaman Extension—Construction	166,618	502,900	523,900	1,216,329	1,311,197	94,868
Sind-Pishin—Petroleum Operations	- -	1,100	5,000	6,100	6,100	—
Bolan (high-level line)	77,247	91,630	9,758	178,635	155,176	‖—23,459
Jummu-Kashmir	- -	12,000	23,000	35,000	§35,000	—
Kandahar Reserve Material	48,015	—111,100	—5,000	261,031	§261,031	—
Bezvada Extension	84,983	54,000	3,500	143,130	167,000	23,870
Villupuram Dharmaveram	1,426	99,000	1,021,600	1,152,518	1,962,212	809,694
Kistna Ferry	- -	- -	20,000	20,000	†20,000	—
TOTAL	1,847,749	2,053,950	2,452,218	9,383,545	12,894,899	3,557,058 —45,704
Carried forward	3,602,970	13,159,150	3,280,318	93,195,504	96,824,586	3,674,786 —45,704

* Not known separately. Included under North Western Railway above.
† These represent sums held in reserve for expenditure likely to be incurred during 1889-90, if the projects are sanctioned.
‡ It is estimated that stores to the value of Rx. 25,000 will be in hand at the end of 1889-90.
§ Approximate Estimates.
‖ A revised Estimate has been called for.

APPENDIX III.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE ON STATE RAILWAYS, &c.—*continued.*

RAILWAYS.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	To End of 1889-90.	Sanctioned Outlay.	Balance remaining Unspent.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward - - -	3,602,970	13,159,150	3,280,318	93,195,504	96,824,586	{ 3,674,786 —45,704
LINES UNDER SURVEY.						
Hindupur Extension Survey - - -	119	560	300	4,481	4,481	—
LINES IN ABEYANCE OR TRANSFERRED TO COMPANIES.						
Sindia - - - - - - - -	189	—921,000	—	—	—	—
Katni-Umaria - - - - - - -	11,094	—485,700	—	—	—	—
Nagpur-Chhattisgarh - - - - -	—1,210,255	—	—	—	—	—
Bengal-Nagpur - - - - - -	—169,701	—	—	—	—	—
Ranaghat-Bhagwangola - - - -	10	80	- -	30,264	30,264	—
Southern Mahratta - - - - -	- -	- -	- -	* 52,707	52,707	—
Bellary-Kistna - - - - - - -	421,232	300	- -	1,654,865	1,654,865	—
aspur-Etawah - - - - - -	—10,428	- -	- -	7,514	7,514	—
Vizagapatam-Raipur - - - - -	- -	- -	- -	24,504	24,504	—
TOTAL - - -	—957,859	—1,406,320	- -	1,769,854	1,769,854	—
Stores and Reserve - - - -	—312,509	—34,610	159,582	189,265	189,265	—
Metre gauge Rolling Stock, Plant, and Machinery, to be taken back from the Bengal-Nagpur Railway - - -	- -	- -	132,000	132,000	132,000	—
GRAND TOTAL - - -	2,332,721	11,718,780	3,572,200	95,291,104	98,920,186	{ 3,674,786 —45,704
Distributed as under :—						
Capital Expenditure on Public Works (not charged against Revenue) :						
State Railways—Construction -	2,251,776	11,700,800	3,562,000	86,449,697	—	—
Famine Relief and Insurance :						
Protective Railways - - - -	- -	- -	- -	2,933,979	—	—
Construction of Railways (charged against Revenue in addition to that under Famine Insurance) - - -	80,945	17,980	10,200	5,907,428	—	—
TOTAL as above - - -	2,332,721	11,718,780	3,572,200	95,291,104	—	—

* Represents depreciation on works and stores allowed by Government on transfer to the Company.

APPENDIX III.—*continued.*

TABLE VII.—CAPITAL EXPENDITURE on IRRIGATION—MAJOR WORKS, in 1887-88, and ESTIMATED EXPENDITURE on such Works in 1888-89, 1889-90, and to the End of 1889-90, &c.

	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	TOTAL to End of 1889-90.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be Spent.
IRRIGATION WORKS.						
CAPITAL EXPENDITURE NOT CHARGED AGAINST REVENUE.	£.	£.	£.	£.	£.	£.
Orissa Canals	40,610	60,430	50,000	2,401,814	3,110,213	708,399
Midnapore Canal	135	570	3,000	829,905	824,900	—
Tidal Canal	- -	- -	- -	179,549	177,270	—
Sone Canals	13,817	23,000	13,000	2,549,624	2,788,870	239,246
Ganges Canal	8,845	7,638	9,554	2,672,913	2,923,442	250,529
Lower Ganges Canal	136,442	93,084	71,063	3,091,049	2,772,451	—
Agra Canal	4,824	4,930	3,175	845,768	871,670	25,902
Eastern Jumna Canal	1,733	9,413	11,708	315,756	344,191	28,435
Western Jumna Canal	27,874	18,800	15,000	1,067,718	1,078,050	10,332
Bari Doab Canal	1,710	14,200	10,000	1,576,662	1,579,860	3,198
Sirhind Canal (State outlay)	75,068	27,400	15,000	2,246,698	2,226,440	—
Chenab Canal	77,306	56,700	50,000	356,906	293,559	—
Jhelum Canal	- -	- -	50,000	50,000	—	—
Sirsa Branch Canal	- -	- -	40,000	40,000	289,267	249,267
Godavari Delta System	19,422	11,829	12,000	1,090,386	1,108,869	18,483
Kistna Delta System	41,306	51,584	49,000	881,986	1,391,978	509,992
Sangam Anicut System	13,075	9,762	5,500	300,170	289,644	—
Periyar Project	27,099	76,700	80,000	183,799	542,500	358,701
Desert Canal	5,716	4,061	3,000	124,739	123,479	—
Begari Canal	609	- -	- -	162,561	162,561	—
Eastern Nara Works	11,375	10,545	11,000	511,605	527,670	16,065
Mutha Canals	6,781	4,896	4,500	607,200	605,323	—
Other projects	22,096	14,942	28,742	3,252,986	—	—
	535,843	500,484	535,242	25,339,794	—	—
Deduct,—Outlay incurred from ordinary funds	2,795	7,484	7,742	5,441,614	—	—
TOTAL £.	533,048	493,000	527,500	19,898,180	—	—
FAMINE RELIEF AND INSURANCE.						
PROTECTIVE IRRIGATION WORKS.						
Betwa Canal	7,571	4,100	2,700	396,099	425,141	29,042
Swat River Canal	8,207	5,400	7,000	345,650	354,581	8,931
Rushikulya Project	25,457	26,700	35,000	142,177	260,139	117,962
Nira Canal	39,794	35,966	33,000	464,485	397,736	—
Other projects (including Grants in Aid)	9,976	534	2,300	410,676	—	—
	91,005	72,700	80,000	1,759,087	—	—
Deduct,—Outlay incurred from other funds	- -	- -	- -	285,434	—	—
TOTAL £.	91,005	72,700	80,000	1,473,653	—	—
GRAND TOTAL £.	624,053	565,700	607,500	21,371,833	—	—

APPENDIX III.—*continued.*

TABLE VIII.—GROSS RECEIPTS, WORKING EXPENSES, and NET TRAFFIC RECEIPTS of GUARANTEED and STATE RAILWAYS, for Five Years ending 1887-88, with REVISED ESTIMATES for 1888-89, and BUDGET ESTIMATES for 1889-90.

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.
GUARANTEED RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	4,611	4,636	4,528	* 3,921	†3,896	3,912	‡ 3,219½
Gross Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Eastern Bengal	488,951	82,325	—	—	—	—	—
Madras	691,041	716,965	760,952	794,264	821,527	845,000	850,000
South Indian	400,362	423,774	450,440	512,196	506,398	545,000	560,000
Bombay, Baroda, and Central India	1,211,703	1,221,595	1,318,202	1,343,613	1,227,163	1,290,000	1,307,500
Great Indian Peninsula	3,342,851	3,514,397	3,654,192	3,971,652	3,984,601	4,180,000	4,200,000
Oudh and Rohilkhund	578,853	517,633	571,517	658,787	701,776	484,000	—
Sind, Punjab, and Delhi	1,122,269	1,129,996	1,054,234	—	—	—	—
TOTAL	7,836,035	7,606,685	7,809,537	7,280,512	7,241,465	7,344,000	6,917,500
Working Expenses.							
Eastern Bengal	262,305	85,153	—	—	—	—	—
Madras	404,655	424,121	439,380	504,611	513,922	500,000	510,000
South Indian	252,836	281,515	297,325	346,206	372,378	372,500	375,000
Bombay, Baroda, and Central India	497,646	550,449	543,498	562,972	520,158	556,000	542,500
Great Indian Peninsula	1,751,373	1,779,690	1,850,110	1,857,344	1,842,185	1,950,000	1,930,000
Oudh and Rohilkhund	303,145	307,793	367,053	362,263	356,152	314,000	—
Sind, Punjab, and Delhi	675,932	699,064	587,098	—	—	—	—
TOTAL	4,147,892	4,128,385	4,084,462	3,633,396	3,604,795	3,691,500	3,357,500
Net Traffic Receipts.							
Eastern Bengal	226,646	—2,828	—	—	307,605	—	—
Madras	286,386	292,844	321,572	289,653	134,020	345,000	340,000
South Indian	147,526	142,259	153,115	165,990	707,005	172,500	185,000
Bombay, Baroda, and Central India	714,057	671,146	774,704	780,641	2,142,416	735,000	765,000
Great Indian Peninsula	1,591,478	1,734,707	1,804,082	2,114,308	345,624	2,230,000	2,270,000
Oudh and Rohilkhund	275,713	209,840	204,464	294,524	—	170,000	—
Sind, Punjab, and Delhi	446,337	450,332	467,138	—	—	—	—
TOTAL	3,688,143	3,478,300	3,725,075	3,647,116	3,636,670	3,652,500	3,560,000
STATE RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	5,153	5,632	§ 6,066	7,227	8,081	8,979	‖ 10,429
Gross Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	4,999,462	4,310,425	4,703,587	4,707,202	4,603,216	4,450,300	4,460,300
Rajputana-Malwa	1,364,850	1,399,592	1,665,923	1,688,259	1,698,296	1,875,000	1,880,000
Cawnpore-Achnera	57,736	92,930	95,819	130,092			
Sindia	25,155	36,833	39,408	39,183	45,739	37,000	7,000
Bhopal	2,557	1,281	2,643	3,505	4,076	5,500	13,700
Wardha Coal	76,529	67,822	64,820	74,742	78,021	85,500	86,000
Bengal-Nagpur	129,565	136,239	147,349	131,760	137,477	188,500	270,000
Katni-Umaria	—	—	—	3,326	8,125	—	—
Umaria Colliery	—	1,572	2,224	6,873	11,447	17,300	35,000
Burma	167,717	216,640	233,585	291,663	331,041	327,500	345,000
Toungthoo-Mandalay	—	—	—	—	—	20,000	115,000
Jorhat	—	383	3,624	3,911	4,968	6,000	6,000
Cherra-Companygunj	—	—	—	226	1,220	1,000	1,200
Eastern Bengal:							
Eastern Bengal	31,806	463,346	455,588	537,136			
Northern Bengal	213,274	216,628	233,920	262,401	958,431	1,050,000	1,070,000
Kaunia-Dhuria	14,080	15,676	12,981	14,543			
Dacca	—	2,559	12,723	27,997			
Tirhoot	98,167	124,972	128,026	150,921	180,506	165,000	180,000
Nalhati	8,063	7,638	7,880	8,654	9,405	10,200	10,100
Patna-Gya	47,019	51,793	51,750	53,645	52,887	49,800	49,000
Bengal Central	—	—	54,129	34,575	75,538	70,000	72,500
Oudh and Rohilkhund	—	—	—	—	—	170,000	740,000
Benares Branch	—	—	—	—	175	700	—
Indian Midland	—	—	—	9,234	30,563	112,500	500,000
Dildarnagar-Ghazipur	3,480	4,673	4,650	4,738	4,833	4,600	4,700
Bareilly-Pilibhit	—	899	8,393	10,126	9,558	9,400	10,000
Lucknow-Sitapur-Seramau	—	—	—	1,656	18,305	25,500	27,000
North Western	1,010,063	1,126,401	1,808,224	2,373,245	2,188,185	2,550,000	2,600,000
Amritsar-Pathankot	—	19,958	28,985	¶ 7,320	¶ 8,750	¶ 8,750	¶ 10,200
Villupuram-Dharmaveram—Nellore Branch	—	—	—	—	4,845	23,600	25,000
Bellary-Kistna	—	—	—	—	6,181	—	—
Dhond and Manmad **	19,165	20,427	22,062	23,376	22,734	25,200	25,200
Southern Mahratta	77	33,244	102,818	182,317	326,423	392,500	440,000
Mysore	—	—	—	37,401	51,481	59,000	108,600
Bezvada Extension	—	—	—	—	—	—	12,000
TOTAL	8,268,765	8,351,931	9,890,211	10,829,027	10,871,926	11,740,350	13,103,500

* The Sind, Punjab, and Delhi Railway, 691 miles, was purchased by the State on 1st January 1886, and the mileage is shown under State Railways.
† The Bellary Branch of the Madras Railway, 33 miles in length, having been transferred to the Southern Mahratta Railway, the mileage is shown under State Railways.
‡ The Oudh and Rohilkhund Railway, 692 miles, was purchased by the State on 31st December 1888, and the mileage is shown under State Railways.
§ Includes one-fifth the length of the Bhopal Railway and the whole length of the Sind, Punjab, and Delhi Railway.
‖ Includes the length of the Oudh and Rohilkhund Railway.
¶ Net Receipts.
** The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.

APPENDIX III.—*continued.*

TABLE VIII.—RECEIPTS AND EXPENSES OF RAILWAYS, &c.—*continued.*

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.
STATE RAILWAYS—*continued.*							
Working Expenses.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	1,996,842	1,829,235	1,852,269	1,721,762	1,662,581	1,690,000	1,725,000
Rajputana-Malwa	728,710	772,169	897,238	899,303	907,154	960,000	977,500
Cawnpore-Achnera	36,802	68,492	79,222	80,728			
Sindia	11,361	19,572	19,440	19,472	21,322	17,800	18,000
Bhopal	2,984	1,746	3,731	2,556	4,457	5,000	11,400
Wardha Coal	21,620	47,603	51,594	59,627	68,028	64,000	64,000
Bengal-Nagpur	64,572	80,480	94,705	80,370	86,760	110,500	145,000
Katni-Umaria	—	—	—	2,588	9,600	—	—
Umaria Colliery	—	1,379	9,265	8,149	2,634	16,800	24,000
Burma	102,117	134,468	174,769	173,260	175,841	200,000	130,000
Tounghoo Mandalay	—	—	—	—	—	20,000	100,000
Jorhat	—	725	4,229	5,376	6,441	5,700	5,500
Cherra-Companygunj	—	—	—	2,361	3,716	2,200	2,300
Eastern Bengal:							
Eastern Bengal	19,513	197,262	293,637	326,752			
Northern Bengal	123,543	152,031	149,034	141,174	481,139	490,000	500,000
Kaunia-Dhurla	10,075	11,980	11,019	11,229			
Dacca	—	707	18,458	28,699			
Tirhoot	67,863	96,847	91,558	98,583	106,156	97,500	97,000
Nalhati	5,632	7,213	6,678	6,711	6,192	8,000	7,600
Patna-Gya	23,356	29,825	27,179	27,898	24,613	23,900	23,500
Bengal Central	—	—	54,713	43,351	67,611	50,000	46,500
Oudh and Rohilkhund	—	—	—	—	—	57,500	360,000
Benares Branch	—	—	—	—	69	80	—
Indian Midland	—	—	—	8,199	20,098	75,000	350,000
Dildarnagar-Ghazipur	1,222	2,727	2,436	2,461	2,245	2,200	2,300
Bareilly-Pilibhit	—	1,385	6,113	7,675	6,766	6,700	7,000
Lucknow-Sitapur-Seramau	—	—	—	1,207	14,998	18,500	19,500
North Western	643,987	600,255	845,651	1,316,886	1,633,529	1,755,000	1,780,000
Amritsar-Pathankot	—	17,535	24,171	— 2,218	—	—	—
Villupuram-Dharmaveram—Nellore Branch	—	—	—	—	9,154	27,000	24,000
Bellary-Kistna	—	—	—	—	8,519	—	—
Dhond and Manmad*	—	—	—	—	—	—	—
Southern Mahratta	172	33,183	81,302	125,596	222,138	292,500	320,000
Mysore	—	—	—	20,144	42,426	47,500	76,000
Bezvada Extension	—	—	—	—	—	—	8,000
Exchange	29,752	38,795	—	—	—	—	—
TOTAL	3,890,123	4,145,614	4,833,411	5,219,889	5,594,187	6,043,380	6,874,100
Net Traffic Receipts.							
East Indian	3,002,620	2,481,190	2,321,318	2,985,440	2,940,635	2,760,300	2,735,300
Rajputana-Malwa	636,140	627,423	767,785	788,956	791,142	915,000	902,500
Cawnpore-Achnera	20,934	24,438	16,597	49,364			
Sindia	13,794	17,261	19,968	19,711	24,417	19,200	—11,000
Bhopal	— 427	— 465	— 1,088	949	519	500	2,300
Wardha Coal	54,909	20,219	13,226	15,115	9,993	21,500	22,000
Bengal-Nagpur	64,993	55,759	52,644	51,390	50,717	78,000	125,000
Katni-Umaria	—	—	—	738	— 1,475	—	—
Umaria Colliery	—	193	— 7,041	— 1,276	8,813	500	11,000
Burma	65,600	82,172	58,816	118,413	155,200	127,500	165,000
Tounghoo-Mandalay	—	—	—	—	—	—	15,000
Jorhat	—	— 342	— 605	— 1,465	— 1,473	300	500
Cherra-Companygunj	—	—	—	— 2,135	— 2,496	— 1,200	— 1,100
Eastern Bengal:							
Eastern Bengal	12,293	266,084	156,951	210,384			
Northern Bengal	89,731	64,597	84,386	121,227	477,292	560,000	570,000
Kaunia-Dhurla	4,005	3,696	1,962	3,314			
Dacca	—	1,852	— 5,735	— 702			
Tirhoot	30,304	28,125	36,468	61,338	74,350	67,500	83,000
Nalhati	2,431	425	1,202	1,943	3,213	2,200	2,500
Patna-Gya	23,663	21,968	24,571	25,747	28,274	25,900	25,500
Bengal Central	—	—	— 584	— 8,776	7,927	20,000	26,000
Oudh and Rohilkhund	—	—	—	—	—	112,500	380,000
Benares Branch	—	—	—	—	106	620	—
Indian Midland	—	—	—	1,035	10,465	37,500	150,000
Dildarnagar-Ghazipur	2,258	1,946	2,214	2,277	2,588	2,400	2,400
Bareilly-Pilibhit	—	— 486	2,280	2,451	2,792	2,700	3,000
Lucknow-Sitapur-Seramau	—	—	—	449	3,307	7,000	7,500
North Western	366,076	526,146	962,573	1,056,359	554,656	795,000	820,000
Amritsar-Pathankot	—	2,423	4,814	9,538	7,350	8,750	10,200
Villupuram-Dharmaveram—Nellore Branch	—	—	—	—	—4,309	—3,400	1,000
Bellary-Kistna	—	—	—	—	— 2,338	—	—
Dhond and Manmad*	19,165	20,427	22,062	23,376	22,734	25,200	25,200
Southern Mahratta	— 95	61	21,516	56,721	104,285	100,000	120,000
Mysore	—	—	—	17,257	9,055	11,500	32,600
Bezvada Extension	—	—	—	—	—	—	4,000
Exchange	—29,752	—38,795	—	—	—	—	—
TOTAL	4,378,642	4,206,317	5,056,800	5,609,138	5,277,739	5,696,970	6,229,400

* The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.

APPENDIX III.—*continued.*

TABLE IX.—GROSS EARNINGS, WORKING EXPENSES, and NET EARNINGS of IRRIGATION—MAJOR WORKS, for Five Years ending 1887-88, with REVISED ESTIMATE for 1888-89, and BUDGET ESTIMATE for 1889-90.

	ACTUALS.					Revised Estimate,	Budget Estimate,
	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.
DIRECT RECEIPTS:	£.	£.	£.	£.	£.	£.	£.
Orissa Canals	23,787	14,358	20,735	17,961	22,304	21,600	21,600
Midnapore Canal	26,457	25,796	26,249	23,419	23,438	24,000	24,000
Tidal Canal	6,359	4,351	5,245	5,440	4,186	4,900	4,900
Sone Canals	60,381	86,247	106,264	91,843	60,395	85,300	85,300
Ganges Canal	242,697	291,662	194,967	220,926	197,254	213,200	213,200
Lower Ganges Canal	151,441	169,434	135,688	105,666	106,614	130,470	130,470
Agra Canal	64,373	79,190	46,689	61,338	48,148	45,740	45,740
Eastern Jumna Canal	76,452	79,374	61,034	69,864	70,305	71,310	71,310
Betwa Canal	- -	- -	- -	2,070	3,057	7,200	7,200
Western Jumna Canal	139,240	160,237	82,635	83,898	135,366	97,300	116,000
Chenab Canal	- -	- -	- -	- -	25	4,000	6,000
Bari Doab Canal	100,354	105,421	118,887	129,138	126,141	136,000	125,000
Sirhind Canal	22	3,249	13,467	35,491	69,900	110,000	125,000
Swat River Canal	- -	- -	25	2,672	10,326	22,700	22,500
Godavari Delta System	7,560	9,601	10,738	10,601	12,431	11,300	11,500
Kistna Delta System	3,356	3,300	3,522	3,791	4,394	4,162	4,265
Sangam Anicut System	- -	- -	- -	- -	86	- -	60
Desert Canal	1,519	2,865	2,158	3,735	3,697	5,394	4,363
Begari Canal	3,117	3,456	3,131	4,544	2,549	3,828	3,459
Eastern Nara Works	2,193	1,804	1,872	1,772	1,599	1,901	1,976
Mutha Canals	15,834	14,069	15,055	18,340	18,958	18,940	19,740
Nira Canal	- -	- -	24	274	768	939	1,640
Other projects	11,439	20,612	16,388	17,041	29,020	40,552	44,905
TOTAL	936,581	1,075,026	864,773	909,824	950,961	1,060,676	1,090,128
PORTION OF LAND REVENUE DUE TO IRRIGATION:							
Ganges Canal	44,301	44,301	44,301	44,301	44,301	44,301	44,301
Lower Ganges Canal	20,783	20,783	20,783	20,783	20,783	20,959	20,959
Eastern Jumna Canal	22,154	22,154	22,153	22,153	22,154	22,153	22,153
Western Jumna Canal	6,265	5,832	5,833	5,832	5,140	5,500	5,500
Bari Doab Canal	66,189	27,557	34,250	60,497	37,526	39,000	30,000
Godavari Delta System	153,262	160,678	173,695	178,140	183,853	182,780	190,380
Kistna Delta System	94,929	101,609	110,592	113,667	132,273	130,340	139,650
Sangam Anicut System	- -	- -	3,070	5,824	8,041	9,405	11,400
Desert Canal	8,534	10,834	9,389	6,072	8,254	9,140	9,640
Begari Canal	15,163	20,386	23,651	19,377	19,391	23,234	23,804
Eastern Nara Works	14,236	17,880	19,039	22,753	28,020	31,234	36,394
Mutha Canals	- -	- -	—345	—476	—468	—	—
Nira Canal	- -	- -	- -	—6	—31	—	—
Other projects	88,310	33,804	95,296	98,552	93,318	94,056	95,226
TOTAL	534,126	465,818	562,607	597,469	602,555	612,102	629,407
TOTAL REVENUE:							
Orissa Canals	23,787	14,358	20,735	17,961	22,304	21,600	21,600
Midnapore Canal	26,457	25,796	26,249	23,419	23,438	24,000	24,000
Tidal Canal	6,359	4,351	5,245	5,440	4,186	4,900	4,900
Sone Canals	60,381	86,247	106,264	91,843	60,395	85,300	85,300
Ganges Canal	286,998	335,963	239,268	265,227	241,555	257,501	257,501
Lower Ganges Canal	172,224	190,217	156,471	126,449	127,397	151,429	151,429
Agra Canal	64,373	79,190	46,689	61,338	48,148	45,740	45,740
Eastern Jumna Canal	98,606	101,528	83,187	92,017	92,459	93,463	93,463
Betwa Canal	- -	- -	- -	2,070	3,057	7,200	7,200
Western Jumna Canal	145,505	166,069	88,468	89,730	140,506	102,800	121,500
Chenab Canal	- -	- -	- -	- -	25	4,000	6,000
Bari Doab Canal	166,543	132,978	153,137	189,635	163,667	175,000	155,000
Sirhind Canal	22	3,249	13,467	35,491	69,900	110,000	125,000
Swat River Canal	- -	- -	25	2,672	10,326	22,700	22,500
Godavari Delta System	160,822	170,279	184,433	188,741	196,284	194,080	201,880
Kistna Delta System	98,285	104,909	114,114	117,458	136,667	134,502	143,915
Sangam Anicut System	- -	- -	3,970	5,824	8,127	9,405	11,460
Desert Canal	10,053	13,699	11,547	9,807	11,951	14,474	14,003
Begari Canal	18,280	23,842	26,782	23,921	21,940	27,062	27,263
Eastern Nara Works	16,429	19,684	20,911	24,525	29,619	33,135	38,370
Mutha Canals	15,834	13,752	14,710	17,864	18,490	18,940	19,740
Nira Canal	- -	- -	24	268	737	939	1,640
Other projects	99,749	54,733	111,684	115,593	122,338	134,608	140,131
TOTAL	1,470,707	1,540,844	1,427,380	1,507,293	1,553,516	1,672,778	1,719,535

APPENDIX III.—*continued.*

TABLE IX.—EARNINGS and EXPENSES of WORKS of IRRIGATION, &c.—*continued.*

	ACTUALS.					Revised Estimate, 1888-89.	Budget Estimate, 1889-90.
	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.		
	£.	£.	£.	£.	£.	£.	£.
WORKING EXPENSES:							
Orissa Canals	29,313	31,573	34,258	50,193	48,131	43,000	42,500
Midnapore Canal	21,565	22,317	20,935	22,637	24,007	23,430	21,000
Tidal Canal	4,658	3,689	4,802	2,284	6,490	7,700	4,500
Sone Canals	51,447	60,396	55,237	58,146	71,731	68,500	74,000
Ganges Canal	86,198	92,609	86,026	85,535	88,300	91,069	89,675
Lower Ganges Canal	64,751	82,154	81,327	79,186	86,397	97,189	93,156
Agra Canal	23,859	26,565	26,313	28,337	24,478	26,192	26,699
Eastern Jumna Canal	19,564	19,164	18,128	20,562	19,266	23,117	22,538
Betwa Canal	- -	- -	208	6,995	8,295	10,274	10,030
Western Jumna Canal	44,284	44,177	47,834	48,869	55,527	46,500	40,000
Chenab Canal	- -	- -	- -	- -	5,733	7,900	7,500
Bari Doab Canal	52,960	47,289	52,014	55,781	49,665	56,700	49,000
Sirhind Canal	1,053	14,022	21,276	23,071	34,537	53,500	45,000
Swat River Canal	- -	- -	2,372	5,243	8,375	9,400	10,600
Godavari Delta System	38,243	50,476	56,486	48,594	51,680	49,898	46,400
Kistna Delta System	27,922	27,691	29,418	32,514	32,663	32,473	33,800
Sangam Anicut System	- -	- -	468	2,577	4,369	4,530	4,550
Desert Canal	2,040	3,140	2,848	4,075	4,041	2,940	2,540
Begari Canal	5,549	5,835	5,042	5,300	6,126	6,597	5,850
Eastern Nara Works	5,903	6,488	6,467	6,443	5,474	7,587	6,627
Mutha Canals	5,961	6,831	6,120	6,838	6,034	6,477	6,300
Nira Canal	- -	- -	1,256	1,822	1,673	2,470	3,220
Other projects	28,967	26,998	34,210	31,771	34,615	41,998	45,563
TOTAL	514,837	571,423	593,150	626,773	677,607	719,441	691,948
NET REVENUE:							
Orissa Canals	—5,526	—17,215	—13,523	—32,232	—25,827	—21,400	—20,900
Midnapore Canal	4,892	3,479	5,264	782	—569	570	3,000
Tidal Canal	1,701	662	383	3,156	—2,304	—2,800	400
Sone Canals	8,934	25,851	51,027	33,097	—11,336	16,800	11,300
Ganges Canal	200,800	243,354	153,242	179,692	153,255	166,432	167,826
Lower Ganges Canal	107,473	108,063	75,144	47,263	41,000	54,240	58,273
Agra Canal	40,514	52,625	20,376	33,001	23,670	19,548	19,041
Eastern Jumna Canal	79,042	82,364	65,059	71,455	73,193	70,346	70,925
Betwa Canal	- -	- -	—208	—4,925	—5,238	—3,074	—3,730
Western Jumna Canal	101,221	121,892	40,634	40,861	84,979	56,300	81,500
Chenab Canal	- -	- -	- -	- -	—5,708	—3,900	—1,500
Bari Doab Canal	113,583	85,689	101,123	133,854	114,002	118,300	106,000
Sirhind Canal	—1,631	—10,773	—7,809	12,420	35,363	56,500	80,000
Swat River Canal	- -	- -	—2,347	—2,571	1,951	13,300	11,900
Godavari Delta System	122,579	119,803	127,947	140,147	144,604	144,182	155,480
Kistna Delta System	70,363	77,218	84,701	84,944	104,004	102,029	110,115
Sangam Anicut System	- -	- -	3,502	3,247	3,758	4,875	6,910
Desert Canal	8,013	10,550	8,699	5,732	7,910	11,534	11,463
Begari Canal	12,731	18,007	21,740	18,621	15,814	20,465	21,413
Eastern Nara Works	10,526	13,196	14,444	18,082	24,145	25,548	31,743
Mutha Canals	9,873	6,921	8,590	11,026	12,456	12,463	13,440
Nira Canal	- -	- -	—1,232	—1,554	—936	—1,531	—1,580
Other projects	70,782	27,735	77,474	83,822	87,723	92,610	94,568
TOTAL	955,870	969,421	834,230	880,520	875,909	953,337	1,027,587

APPENDIX III.—*continued.*

CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDISED RAILWAYS.

TABLE X.—ABSTRACT of BUDGET ESTIMATES of CAPITAL TRANSACTIONS of GUARANTEED and SUBSIDISED RAILWAYS, 1888-89 and 1889-90.

RAILWAYS.	AMOUNT IN RUPEES. 1888-89. Budget.	AMOUNT IN RUPEES. 1888-89. Revised.	AMOUNT IN RUPEES. Budget, 1889-90.	AMOUNT OF EXCHANGE. 1888-89. Budget.	AMOUNT OF EXCHANGE. 1888-89. Revised.	AMOUNT OF EXCHANGE. Budget, 1889-90.	AMOUNT IN POUNDS STERLING. 1888-89. Budget.	AMOUNT IN POUNDS STERLING. 1888-89. Revised.	AMOUNT IN POUNDS STERLING. Budget, 1889-90.
GUARANTEED RAILWAYS.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	£.	£.	£.
RECEIPTS.									
Madras	22,50,000	20,50,000	22,00,000	1,88,000	1,71,000	1,83,000	200,200	187,000	201,700
South Indian	18,75,000	18,85,000	18,50,000	78,000	78,000	77,000	179,700	180,700	177,300
Bombay, Baroda, and Central India	23,00,000	25,00,000	23,50,000	1,92,000	2,08,000	1,96,000	210,800	229,200	215,400
Great Indian Peninsula	70,00,000	72,00,000	70,00,000	5,83,000	6,00,000	5,83,000	641,700	660,000	641,700
Oude and Rohilkhund	14,50,000	12,00,000	- -	- -	- -	- -	145,000	120,000	—
TOTAL	1,48,75,000	1,48,35,000	1,34,00,000	10,41,000	10,57,000	10,39,000	1,383,400	1,377,800	1 236,100
ADVANCES.									
Madras	16,25,000	19,25,000	20,00,000	1,36,000	1,60,000	1,67,000	148,000	176,500	183,300
South Indian	12,00,000	13,50,000	11,50,000	50,000	56,000	48,000	115,000	129,400	110,200
Bombay, Baroda, and Central India	15,00,000	15,00,000	15,50,000	1,25,000	1,25,000	1,29,000	137,500	137,500	142,100
Great Indian Peninsula	48,00,000	44,50,000	49,00,000	4,00,000	3,71,000	4,08,000	440,000	407,900	449,200
Oude and Rohilkhund	14,85,000	12,50,000	- -	- -	- -	- -	148,500	125,000	—
TOTAL	1,06,10,000	1,04,75,000	96,00,000	7,11,000	7,12,000	7,52,000	989,000	976,300	884,800
NET RECEIPTS.									
Madras	6,25,000	1,25,000	2,00,000	52,000	11,000	16,000	57,300	11,400	18,400
South Indian	6,75,000	5,35,000	7,00,000	28,000	22,000	29,000	64,700	51,300	67,100
Bombay, Baroda, and Central India	8,00,000	10,00,000	8,00,000	67,000	83,000	67,000	73,300	91,700	73,300
Great Indian Peninsula	22,00,000	27,50,000	21,00,000	1,83,000	2,20,000	1,75,000	201,700	252,100	192,500
Oude and Rohilkhund	—35,000	—50,000	- -	- -	- -	- -	—3,500	—5,000	—
TOTAL	42,65,000	43,60,000	38,00,000	3,30,000	3,45,000	2,87,000	393,500	401,500	351,300
SUBSIDISED RAILWAYS.									
RECEIPTS.									
Capital received in India:									
Southern Mahratta	—	—	—				—	—	—
Indian Midland	—	—	—	—	—	—	—	—	—
Gain on Remittances to India:									
Southern Mahratta	- -	- -	- -	4,25,000	1,57,000	85,000	—42,500	—15,700	—8,500
Mysore	- -	- -	- -		29,000	5,000		—2,900	—500
Indian Midland	- -	- -	- -	8,64,000	6,48,000	9,78,000	—86,400	—64,800	—97,800
Bengal Central	—	—		—	—	—	—	—	—
Bengal-Nagpur	- -	- -	- -	8,05,000	9,82,000	5,71,000	—80,500	—98,200	—57,100
TOTAL	- -	- -	- -	20,94,000	18,16,000	16,39,000	—209,400	—181,600	—163,900
WITHDRAWALS.									
Southern Mahratta	14,88,000	51,55,000	21,62,000	2,48,000	13,18,000	3,60,000	124,000	383,700	180,200
Bellary-Kistna	43,00,000			12,2 0,000			307,100		
Mysore	38,00,000	29,18,000	9,00,000	9,50,000	7,29,500	2,25,000	285,000	218,850	67,500
Indian Midland	1,50,00,000	1,83,00,000	40,47,000	30,00,000	36,60,000	8,09,400	1,200,000	1,464,000	323,760
Bengal Central	1,40,000	1,60,000	2,03,000	40,000	46,000	58,000	10,000	11,400	14,500
Bengal-Nagpur	1,50,00,000	1,93,40,000	1,06,98,000	34,61,000	44,63,000	24,70,000	1,153,000	1,487,700	822,800
TOTAL	3,97,28,000	4,58,73,000	1,80,10,000	89,28,000	1,02,16,500	39,22,400	3,080,000	3,565,650	1,408,760
Net Withdrawals	3,97,28,000	4,58,73,000	1,80,10,000	68,34,000	84,00,500	22,83,400	3,280,400	3,747,250	1,572,660
GUARANTEED AND SUBSIDISED RAILWAYS.									
Net Withdrawals	3,54,63,000	4,15,13,000	1,42,10,000	65,04,000	80,55,500	19,96,400	2,895,000	3,345,750	1,221,360

ABSTRACT of the Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the Provisions of the Act of Parliament, 24 & 25 Vict. c. 67.

The Council met at Government House on Wednesday, the 27th March 1889.

PRESENT :

His Excellency the Viceroy and Governor General of India, G.C.M.G., G.M.S.I., G.M.I.E., presiding.
His Honour the Lieutenant Governor of Bengal, K.C.S.I., C.I.E.
The Honourable A. R. Scoble, Q.C., C.S.I.
The Honourable Sir C. A. Elliott, K.C.S.I.
The Honourable P. P. Hutchins, C.S.I.
The Honourable Sir D. M. Barbour, K.C.S.I.
The Honourable R. Steel.
The Honourable F. M. Halliday.
The Honourable Syud Ameer Hossein, C.I.E.
The Honourable Rájá Durga Charn Laha, C.I.E.
The Honourable G. H. P. Evans.
The Honourable Maung Ôn, C.I.E., A.T.M.
The Honourable Muhammad Ali Khan.
The Honourable J. W. Quinton, C.S.I.

NORTH WESTERN PROVINCES AND OUDH KANUNGOS AND PATWARIS BILL.

The Honourable Mr. QUINTON moved that the Report of the Select Committee on the Bill to authorise the imposition of a patwari rate in the North Western Provinces and Oudh, and make certain provisions respecting kanungos and patwaris in those provinces, be taken into consideration. He said :—

"The alterations made in the Bill by the Select Committee are not numerous. The changes in Sections 2, 4, and 9 merely save appointments made and rules issued under existing Acts, and set out at length definitions for which the Bill as introduced made necessary a reference to other enactments. We have amended Sections 7 and 15 so as to leave it to the Local Government to lay down the rules and conditions under which the patwari cess is to be computed and payable in the exceptional cases of land being rent-free, or rent being payable in kind or service. It would be inexpedient to force landlords or tenants into court for the purpose of having the liability of tenants determined in such cases. In Sections 9, 13, and 15 we have adopted a recommendation of the Local Government, and declared under-proprietors of entire villages in Oudh liable to the whole rate, and entitled to collect the cess from the tenants. This is in accordance with the practice which prevailed almost universally in the province before the Act of 1882. Under-proprietors of plots of land not being whole villages will be treated as tenants and pay the cess only. We have, as suggested by the Local Government, given landlords in Oudh the same voice in the nomination of patwaris as is possessed under the North Western Provinces land law by the landlords of those provinces.

"With the assent of my honourable friend the Finance Member, we have embodied in Section 18 a legislative recognition of the undertaking of the Local Government that the present contribution to the patwari fund by Government shall not be less than 10 lakhs of rupees, and we have made the concurrence of the Government of India a condition precedent to any reduction of the grant below that amount. When the landlords and tenants of the provinces are being called on to pay their share towards an object in which Government as well as they are interested, it is but fair that Government should pledge itself so far as it properly can to maintain its part of the burden.

"In the general principle of the Bill we have made no change. The Select Committee approached the subject with a strong inclination to modify the provisions of the Bill as introduced in favour of the tenant, but the reasons given by the Lieutenant Governor in the passage I am about to quote, and the knowledge that

that the tenants of both provinces had so benefited by an unusually long series of prosperous years as to render the payment of a cess of 1 or ¾ per cent. on their rent a matter of no difficulty, constrained the Members to the conclusion that the principle of the Bill was sound and should be maintained. Sir Auckland Colvin, in his Secretary's letter of the 9th instant, which has been published as a Paper on the Bill, writes as follows:—

'To the general principle of the Bill no objections have been made. The justice of redistributing the present cost of the patwari establishment among the different classes which profit by its maintenance has not been impugned. It is, in fact, merely a reversion to the original arrangement by which the patwari, as the servant of the village and not of the landlord only, was paid by an allotment from the grain heap before the produce was divided between the landlord and the tenant; with this addition, that the State, which now derives great advantages from the statistical information furnished by the village papers, and which will be greatly benefited thereby at future periodical revisions of the land revenue, will now make a corresponding contribution to the total expense. The importance to the statutory tenant in Oudh, and to the tenant with right of occupancy in the North Western Provinces, of the punctual and accurate maintenance of the record by which their rights are established, is obvious, and to the tenant-at-will the advantage is hardly less, as he depends on the rent-rolls for the correct statement of his rent, and of the continuous holding which, after a period of 12 years, secures him a right of occupancy. The justice of demanding their contribution from the owners of privileged tenures seems too clear to require discussion, and was recognised in the arrangements which existed in the North Western Provinces prior to the passing of Act XIII. of 1882; but, if tenants of all classes are exempted from liability, it is nearly certain that, while the privileged tenants, whose annual payments are guaranteed by law, will escape altogether, the tenants-at-will, whose interests in the matter, though considerable, are not so obvious, will nevertheless be compelled by their landlords to pay at least as much as could be demanded from them under the present provisions of the Bill. Experience has shown that it is impossible to hinder the landlord from demanding from tenants-at-will any cess which may have been imposed on the land. [In this connection I may add that nearly one-half of the tenant cultivation of the North Western Provinces is in the hands of tenants-at-will, and that a general exemption of tenants from payment of the cess would leave them to bear not only their own share of the cost, but probably that of the privileged class of tenants also.] Moreover, as a result of recent legislation, nearly the whole of the land in Oudh is held by tenants with statutory rights. The concurrence of the landlords of that province to the proposed taxation has rested mainly on the understanding that they would be allowed to recover from their tenants, who are now in a far better position than they were then, a cess corresponding in principle, though it is considerably less in amount, to the cess which they were allowed to collect before the legislation of 1882. On the general principle, then, that the cost of establishment should be distributed in proportions roughly corresponding to the benefit they respectively derive from it, between the State, the landlords, and the tenantry, Sir Auckland Colvin has no criticism to offer, and he trusts that it may be maintained without any material modification.'

"The Committee considered carefully the possibility of exempting from the cess tenants who might prove that they were paying a share of the cost of the patwari in the shape of enhanced rent; but their inquiries established that no workable plan could be devised which would not be attended with greater evils than those it was meant to provide against. In my remarks on the introduction of the Bill I stated that an inquiry, made under the orders of Sir Alfred Lyall in 1884, showed that it was impossible to resolve rents then existing into their component parts, so as to say what portion of the rent was to be remitted on account of the abolished cess. As to 13 districts of the North Western Provinces, it was then proved that no separate patwari cess ever existed, or that, if it existed, it became merged in the rent at a period so remote that no memory of it survived. In other districts the cess was merged in the rent under the Saharanpur Settlement Rules issued in 1855, or under the Land Act of 1873. What was held on such good grounds to be impossible in 1884 would certainly be equally impossible in 1889; and, under such circumstances, to give a power of reopening all cases of enhancement throughout the length and breadth of the provinces for many years previous to 1882, in order to ascertain whether the tenant might now be fairly called on to pay an addition to his rent of two pies in the rupee, is a course which the Select Committee could not recommend. Such a remedy would be worse than the disease.

"These are the only points to which it seems necessary for me to call the attention of the Council on this occasion. My honourable friend Sir David Barbour will, no doubt, explain the relations between this measure and the financial arrangements of the Government of India, in the statement which he is, I understand, about to make."

The Honourable MUHAMMAD ALI said:—

"Having had occasion to take part in the discussion of the Patwari Bill in the Select Committee, I have nothing more to add. The Bill, after amendments, is, in my opinion, quite unobjectionable. It is not reasonable that the Government alone should bear the whole cost of the patwari establishment, to the extent of 30 lakhs of rupees, as it has been doing for the last seven years. As the keeping of an accurate patwari record is proportionately useful to all the parties interested in the land, the cost should be borne by each of them in proportion to the benefit he receives. For this reason the distribution of the cost between the Government, the zamindár, and the tenant, as made by the Bill, is just and fair.

"The expenses incurred by the Government on the occasion of every new settlement were not less than, on an average, 10 lakhs of rupees in every district, while the present Bill imposes on Government an expenditure of only 10 lakhs for both the provinces. In view of the great savings of expense likely to be realised by the Government in future settlements, it is only reasonable that the Government should contribute the aforesaid sum. It is a well-known fact that people always dislike the imposition of any rate, but, when they find that the Government is also ready to contribute its share, they will have no fair grounds for complaint."

The Honourable Sir CHARLES ELLIOTT said:—

"As an old North West official to whom the patwari and the patwari cess have been familiar terms for the last 30 years, I cannot let the occasion of the passing of the Patwari Cess Bill go by, without expressing my satisfaction at its enactment, and without laying before your Excellency's Council two special grounds for congratulation. The first is, that this Bill, although it involves the imposition of a cess upon themselves, is about to be passed into law with the approval of the great landholders of the North Western Provinces, as represented by my honourable friend Muhammad Ali, and with the written consent of the influential body of taluqdars of Oudh, who have themselves assisted, through the Secretary to the Taluqdars Association, in framing the details of the Bill. It shows that a great step has been gained in modifying the hitherto somewhat despotic character of the government of the country, when the Lieutenant Governor is able to win so completely the confidence of the landed gentry of his province, when they co-operate so heartily with him in legislation of this kind, and when they show such a wise and statesmanlike patience of taxation.

"The second point I wish to draw attention to is the improvement which this Bill may be expected to produce in the working of the patwari staff. There is nothing so important to the agricultural community of the North Western Provinces, who comprise about 90 per cent. of the population, as the accurate registration of the mutual rights of landlord and tenant. It is well known that a great reform has taken place of late years in the completeness and accuracy of the village records, a reform with which the name of Sir Edward Buck is honourably connected. But the basis of this reform rests on the education, discipline, supervision, and proper payment, of the patwari. As long as the sum which could be devoted to paying the patwari staff depended on the amount which could be spared from the provincial treasury, on which a thousand other demands were being constantly made, so long there was little hope of obtaining such increased grants as were necessary to meet the constantly expanding wants of the establishment. Now that the old system of a cess has been restored, we have got a fund which acts automatically in the right direction. As new land is broken up and cultivated, as fields are subdivided, and competition for land causes rents to rise, the patwari's work of record increases, and with it increases the annual value of the village on which the patwari cess is based. I trust, therefore, that this Bill, in addition to the relief it gives to the Imperial Treasury, will have the secondary and, as it were, accidental advantage of strengthening the hands of the Revenue and Agricultural Department, and enabling it to carry out more completely than before the objects which were defined by the Famine Commission and accepted by the Government of India nearly 10 years ago, but which have been to some extent retarded by that eternal want of pence which is the most constant check on all attempted reforms in administration."

The

The Honourable Sir DAVID BARBOUR said:—

"The Bill which we are now considering was introduced mainly, but not solely, with the object of adding to the revenue, and I will therefore take this opportunity of explaining the present state of the finances.

"It will not be necessary for me to go into great detail, as the Financial Statement is published to-day, and a copy of it has been furnished to each Member of your Excellency's Council, but for the purpose of obtaining a correct general view of our present financial position it will be well to go back a little, and to briefly indicate the financial position of two years ago, when the Statement for 1887-88 was made.

[Here follows an abstract of the Financial Statement printed on page 5.]

* * * * * *

His Excellency the PRESIDENT said:—

"I think the best mode of procedure, unless honourable Members see fit to object, would be that I should now put the motion which is on the paper, and that we should adjourn until Friday next. It will then be open to honourable Members, if they desire to offer observations on the Financial Statement which we have just had the advantage of hearing, to make them on the motion that the Bill should pass. In the meanwhile honourable Members will have had the leisure to consider the Statement in all its bearings."

The motion was put and agreed to.

The Council adjourned to Friday, the 29th March 1889.

The Council met at Government House on Friday, the 29th March 1889.

PRESENT:

His Excellency the Viceroy and Governor General of India, G.C.M.G., G.M.S.I., G.M.I.E., presiding.
His Honour the Lieutenant Governor of Bengal, K.C.S.I., C.I.E.
The Honourable A. R. Scoble, Q.C., C.S.I.
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The Honourable R. Steel.
The Honourable F. M. Halliday.
The Honourable Syud Ameer Hossein, C.I.E.
The Honourable Rájá Durga Charn Laha, C.I.E.
The Honourable G. H. P. Evans.
The Honourable Maung Ôn, C.I.E., A.T.M.
The Honourable Muhammad Ali Khan.
The Honourable J. W. Quinton, C.S.I.

NORTH WESTERN PROVINCES AND OUDH KANUNGOS AND PATWARIS BILL.

THE Honourable Mr. QUINTON moved that the Bill to authorise the imposition of a Patwari-rate in the North Western Provinces and Oudh, and make certain provisions respecting Kanungos and Patwaris in those Provinces, as amended, be passed.

The Honourable Mr. EVANS said:—

"The Financial Member is to be congratulated on the lucid exposition he has given of the present financial position. That position is distinctly better than was generally expected. The diminution of the estimated deficit for 1888-89, and the estimate for a small surplus for 1889-90, in the face of

increased expenditure, and without the imposition of additional taxation, are welcome surprises, though accompanied by a note of warning as to the future. No one will expect from me a detailed criticism of the Budget. I am not an expert in finance, and my time is too fully occupied for me to be under any temptation to attempt the *rôle* of an amateur financier, but I propose to make a few remarks upon certain points.

"The difficulties besetting Indian finance have been graphically described by Sir David Barbour. Famine and war, the act of God and the Queen's enemies, are beyond our power to avert; and there is no international insurance company to guarantee us from loss from such causes. We are our own insurers. As to the first, we are doing our best to mitigate the evil by improved means of communication between different districts and provinces. As to the second, we are doing our best to make it a dangerous and hazardous thing for any enemy to attack us; but the expenses are much increased and deficiency diminished by the short-service system, with the expensive and useless transport which it necessitates. The advantages of the short-service system are advantages to England, not to India.

"As to the opium revenue, the uncertainty of the future is great, but I have heard of no proposal by which it can be lessened. We can only hope for the best, and look out for fresh sources of revenue should this dwindle away in course of time.

"But the fourth difficulty, the exchange, is one which high and competent authorities believe can be dealt with and practically removed by international agency.

"Though I, like most other people in India, have devoted some consideration to this problem, and have had the opportunity of seeing the Report of the late Commission and the evidence taken, yet the questions involved are far too complicated for me to offer any opinion on the details of the schemes that have been proposed for the removal of this great source of embarrassment.

"There are, however, one or two great facts and principles that seem to stand out clearly beyond the sphere of doubt or uncertainty.

"It seems clear that it cannot be for the advantage of the empire as a whole that there should exist within its limits two monetary standards, varying largely and rapidly in relative value.

"In the present days of keen competition, of telegraphs, and of steam communication, any cause which hampers trade and impedes the free flow of capital to the fields where it may be most profitably invested must be injurious. There can be no doubt that the absence of a common money standard between England and its Colonies on the one hand, and its Eastern Empire on the other hand, produces these evils.

"By introducing an additional element of uncertainty, it puts difficulties in the way of honest and legitimate trade, and makes business more risky.

"We have just seen the bank rate in Calcutta standing week after week at over 12 per cent., while the London rate was 3 per cent. or under. We all know the difficulty of inducing English capitalists to lend money in India. They are shown the return they will get in rupees, but their answer is, What will the rupees be worth when we get them? In India there is a reluctance to take sterling loans, for the borrower cannot tell how many rupees will repay the interest or principal at a future date.

"The Budget Statement now before us shows clearly the embarrassment to which the present state of things subjects the finances of this country, and the danger of future serious alteration in the relative values of gold and silver appears to be very great.

"I understand that the United States now coin every year 5,000,000 *l.* sterling of silver. This they cannot continue to do permanently, unless they are prepared to adopt a silver standard.

"There are also rumours of Russia and other countries wishing to adopt a gold standard. Any one of these changes would probably have a serious effect on the relative value of gold and silver.

"I see no method by which we can get over the uncertainty which now hangs over the future, except by an international agreement or understanding of some sort, and I hope that the Government of India will continue to press the importance of this question on the attention of Her Majesty's Government in England.

"This

"This period of pressure, when the Provincial Governments have been obliged to come to the assistance of the imperial revenue, is not an opportune moment for inquiring which taxes are most objectionable, or for urging increase of expenditure which is not absolutely necessary. But I deem it my duty to draw attention to certain facts connected with the administration of justice in Bengal. The surplus revenue produced by the administration of civil justice in Bengal (appearing under the head of court fees) is, according to the figures supplied by the High Court, over 30 lakhs per annum. I understand the correctness of these figures was not admitted by the late Financial Member, though he never produced any statistics to contradict them. Whether they are correct or not, it cannot be denied that the surplus is large. This surplus is said to be applied in meeting the deficiency arising on the administration of civil justice in other parts of the empire. I will not now discuss the justice of taxing the litigants of Bengal, to meet the costs of litigation in other provinces.

"The point I desire to bring forward is the narrower but graver one that, notwithstanding the surplus arising from civil litigation in Bengal, the provision made for the administration of civil justice in that province has been insufficient. The High Court has more than once of late years drawn the attention of the Government to the fact that the provision made for the administration of justice in Bengal is inadequate; that, while the business and the surpluses have increased by leaps and bounds, the increase of the subordinate judiciary has not kept pace with it; that the strain on the subordinate judges is excessive and the arrears heavy, while the number of munsifs is wholly inadequate; that the prevalence of sickness amongst officers of the subordinate judicial service, and the frequent collapse of health, and even more serious consequences, are largely due to the unhealthy and ill-ventilated huts in which those officers have to hold their courts, and to excessive overwork.

"It is reported that the High Court recently asked for the appointment of a large number of additional munsifs to cope with the continually increasing current business and with the arrears, and that the Local Government recommended the sanction of a certain number, being less than what the High Court asked for, but that the Government of India cut down heavily the number recommended by the Local Government and sanctioned a much smaller number, and appointed a Commission to make inquiries with a view to future alteration in the system. I do not suppose the High Court to be infallible. The High Court may study efficiency more than economy, but, if and so far as the High Court and the Local Government are agreed upon a question so particularly within their knowledge, the number of munsifs now needed in Bengal, it appears to me that the Government of India has taken a heavy responsibility in not acceding to the demand. The zamindars of Bengal, who have to pay their revenue to the day, have just cause of complaint when they cannot get their rent cases speedily tried for want of sufficient munsifs. That there are not enough munsifs for the work is a patent fact; and the High Court was of opinion, at the passing of the Bengal Tenancy Act, that it would not be safe at present in the interests of the raiyats to secure greater speed and economy by a more summary method of trial, and in this opinion the Governments of Bengal and India agreed. It would thus appear to be the bounden duty of the Government, having a surplus from this source, to provide the necessary number of officers, while it is far from clear that the duty has been performed. The Commission, whatever future reforms it may recommend, will not try cases or relieve the present pressure.

"The other evils, insufficient accommodation, and an insufficient and underpaid establishment, are equally patent to all who are acquainted with the mufassal of Bengal. They have grown up gradually under former Governments and intensified, and it would not be fair to ask the present Local Government to cure them at once by a stroke, as it were, of the pen.

"I am aware that the Local Government has recognised these evils and attempted to meet them, but has been hampered by want of funds. Some progress has been made, and a good deal of money spent on the larger courts. But the state of things is unsatisfactory, and it is right that attention should be drawn to the fact that the department which is in this unsatisfactory state is one which actually not only pays its way but yields a large surplus.

"Last year, on the passing of the Petroleum Bill, I drew attention to the

possibility of some relief to our finances from a complete overhauling of the home charges. I will not go over the same ground again. I understood that the Secretary of State was about to appoint a Commission to inquire into various matters connected with those charges, but I have not heard of any result as yet.

"With regard to the future, I venture to think that the Government might profitably turn their attention to the possibility of a general succession duty. It is a tax unobjectionable in principle. It cannot be so difficult to work or so vexatious as an income tax; the yield would be considerable, if a working scheme could be devised, and the revenue authorities instructed to see that the duty was collected and not evaded, instead of the collection being left entirely in the hands of the civil courts, as is the case with such succession duties as are now paid by a limited class of the inhabitants of India."

The Honourable RÁJÁ DURGA CHARN LAHA said:—

"I must confess to an agreeable surprise. I never expected that there would be a surplus, no matter how small. There was a general apprehension of a deficit. The Finance Minister has given us a surplus, which is so far satisfactory. Looking, however, to the means by which this surplus has been brought about, I am bound to say that the financial position does not seem to me to be in a sound condition. The surplus this year has been produced by taking a contribution of 74 lakhs of rupees from the Provincial Governments. The Imperial Government has been benefited by this contribution, it is true, but the resources of Local Governments have been considerably crippled. I do not wish now to discuss the policy by which the Provincial Governments will be starved to supply the needs of the Imperial Government. But it cannot be denied that the Local Governments will be great sufferers by thus ministering to the wants of the Imperial Government. They will have to find means by local taxation to fill up the gap which has been created in their resources. I may be permitted to mention the patwari cess, by way of an illustration of what I mean. Had it not been for the contribution which the Imperial Government has taken from the North Western Provinces, it would not have been necessary to impose this tax. We thus see that, though the country will be saved from imperial taxation this year, there may be taxation in another form in the provinces; and thus it is clear that the provincial contribution has in no way relieved the financial pressure of the country. If the provincial contribution be left out, the Budget Estimates show a deficit of 64 lakhs of rupees. Even if we take no notice of the temporary relief given by the accidental circumstance of there being a credit of 52 lakhs, arising from the receipts on account of exchange on the capital transactions of railway companies, we cannot shut our eyes to the fact that the financial outlook is anything but cheering. The revenue is increasing every year, and still there is a deficit. Within the last eight years nearly 16 crores have been added to the annual revenue, but the expenditure has increased in proportion. Much of this expenditure may be unavoidable, but still it may be possible to keep it in check by having a vigilant watch over it. The Finance Minister tells us that there is no ground for desponding views. Be it so. But I must say that the financial situation of the Government of India has filled me with grave apprehensions.

"It is by practising economy and husbanding the revenue that the financial equilibrium of the country can best be restored. The Government of India is reducing expenditure in all its departments, consistent with the efficient administration of the country. There is yet room for further economy, especially in the Public Works Department. I have no doubt it will be effected when opportunity offers. The curtailment of high official salaries wherever practicable will also, I hope, engage the attention of the Executive Government. But it is not in India alone that there is room for economy. The charges in England, the home charges, are a severe drain upon the resources of the country. We find that the expenditure in England is a great deal more than the country can bear. This year the Budget Estimate of the amount to be remitted to England on account of the Secretary of State's Bills is 14,690,900 *l.*, equivalent to about 21 crores of rupees. In other words, nearly one-fourth of our revenue is drawn by the Secretary of State. There is an absolute necessity for reducing this amount, and, unless this is done, small savings here and there in India will not afford any appreciable relief to Indian finance.

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"The Finance Minister has referred to the falling-off of receipts from the salt revenue. This has been largely due to the groundless rumours regarding an anticipated reduction of the salt duty. The Secretary of State recently stated that the earliest occasion would be taken to abrogate the increase in the salt duty. It must have been represented to his Lordship that the increased duty on salt is working great hardship on the people. Such a representation, if it has been made, had no foundation in truth. A slight increase in this duty would hardly affect the people one way or another. I am certain it is neither harassing nor oppressive. The incidence of taxation on account of increase in this duty is so small that the people hardly feel its pressure. The Secretary of State, therefore, need be under no anxiety on this account. Not to speak of the evil effects of a frequent change of policy in regard to any important fiscal system of the country, the abrogation of the increased salt-duty will entail a needless sacrifice of revenue—a sacrifice which will bring but little relief to any class of the community. If the finances be in such a condition as to admit of any reduction of taxation, I would suggest that the taxes which act oppressively on the people be first taken away. The income-tax is working great hardship. No form of direct taxation is suited to our country. If the income-tax be abolished, it would afford a substantial relief, and would be really appreciated by the people. Another tax which operates prejudicially to the interests of the people is the rice-duty. It is a duty which greatly affects the material welfare of the people. If it be reduced or abolished altogether, it is certain to add to the prosperity of the country. If it be true that the peculiar circumstances of Burma make the rice-duty take the place of the land-tax in Bengal, that may be an argument for retaining the rice-duty in Burma, but it is no argument for the retention of so burdensome an impost in the provinces which contribute their due share to the land-revenue.

"The Finance Minister is hopeful that the financial position of the Government of India will, under ordinary circumstances, show a decided improvement in a short time. Let us all hope that this expectation may soon be realised.

"In conclusion, my Lord, I earnestly trust that the people may, under your *régime*, enjoy freedom from further taxation. May the patwari-cess be the first and last form of taxation to be imposed on the people so long as your Excellency is at the head of the Government."

The Honourable SYUD AMEER HOSSEIN said:—

"The honourable Member in charge of finance is to be congratulated on his presentation to this Council of such a full, comprehensive, and well-balanced Financial Statement.

"It is indeed satisfactory, that, in the face of so many and such various difficulties, he has been able to show a surplus of Rx. 106,000 in the Budget of the coming year.

"I trust that the next year may be free from those unforeseen disasters which contribute so largely to the augmentation of public expenditure, and that, through the usual elasticity of the existing sources of revenue, the honourable Minister may be able to show at the end of the year a much larger surplus than what he has very carefully estimated in the Budget, and he may be able to give some substantial relief to the payers of direct taxes, specially those who are taxed for an income below Rs. 1,000 per annum under the Income-tax Act.

"My Lord, the deplorable case of this class of tax-payers deserves a merciful consideration at your Excellency's hands, and I earnestly hope that an early opportunity may be taken by your Excellency's Government to raise the existing taxable minimum from Rs. 500 to Rs. 1,000. The parties who pay tax under this class of the schedule are petty tradesmen and clerks in Government offices or in private employ. They form the lower middle classes of the people, and have not only to live decently and appear in public in decent raiment, but to maintain a large family. Their necessities are such that, considering the general rise in the prices of the articles of food and clothing during the past twenty years, it is impossible for them to make the two ends meet with a paltry income varying from 34 *l.* to 68 *l.* a year.

"Moreover, I very much doubt whether the administration of direct taxation

in this country, notwithstanding the vigilance and careful supervision of the higher revenue authorities, is as satisfactory as it should be. It is open to question whether some of those who are returned by the assessors as drawing an income of Rs. 500 or upwards really enjoy that income.

The case of European tax-payers with small incomes is probably still harder. They are not only required to live respectably and maintain a decent appearance in society, but to send large remittances home under ruinous rates of exchange.

"I have, however, no doubt, my Lord, that, as soon as the Exchequer has attained an equilibrium, the unsuitability of direct taxation to this country, especially to those that come under the lower classes of the schedule, will force itself into your Excellency's attention, and the desired relief will be afforded, at least to the much-suffering portion of the community."

The Honourable Mr. STEEL said:—

"At the previous stage of the Kanungos and Patwaris Bill it was remarked that there appeared to be no sufficient reason why the cess should not be re-imposed on the same scale as before 1882. In reply several speakers have justified the reduction. It has been shown that the village accounts are valuable to Government for the purpose for assessing the land-revenue. Also that they are important to the Oudh raiyats as enabling them to protect the interests they have acquired under the Rent Act. The conclusion is drawn that those who have an interest in the accounts should contribute to pay for them. I confess the argument has not convinced me. The zamindars held their interest in State property on the condition that they paid for keeping the accounts, and the fact that the accounts possessed value to others should not disturb this bargain. It has also been suggested that, if the landlords had not been relieved from the ten lakhs, they would have been able to reimburse themselves by exactions from tenants-at-will. It seems to me that, if they have the power of exacting money from their tenants, they are not likely to be restrained from doing so by the arrangement proposed. The exactions of a landlord from a tenant-at-will must be regulated by the ordinary laws of supply and demand. The fact that the ten lakhs are to be paid by Government will not apparently prevent the landlord from making the tenant pay the cess over again.

"The fact is, the arrangement appears to be the result of a compromise, and as such has been made the subject of commendation. A compromise may often be a prudent settlement of a disputed question of law or of fact, but a compromise of principle is always objectionable. The zamindars are naturally enough glad to settle by payment of two-thirds of the amount which might have been demanded from them; but, if we would follow the precedent of Solomon's judgment, the proposal to divide the child has identified the owner.

"And now, my Lord, I beg to express the satisfaction of the public that Government should have followed the precedent of last year, by giving an opportunity for the discussion of their financial arrangements in this Council. The honourable Finance Minister is to be congratulated upon the extremely able and interesting statement he has laid before us. Considering the intricacy and difficulty of the subject with which he has to deal, he has thrown very clear light upon the situation. The results of the past year, if they cannot be deemed altogether satisfactory, are, at any rate, better than the public had reason to apprehend. The falling-off of the revenue of the East Indian Railway is an unfortunate feature, especially as this seems to have arisen from causes which may permanently depreciate the value of that splendid property. The temporary falling-off in the quantity of salt which has paid duty I look upon without any concern. My honourable friend has given us an explanation. He has attributed it partly to the mistaken notion that the duty was likely to be reduced. But there is another reason which has had an important influence in reducing the amount of duty paid in Bengal during the past year. This is the advance in the rates of freight on salt from Liverpool to Calcutta. The duty of Rs. 2. 8. per maund is a fixed charge. Until this unfounded rumour arose, the dealer in salt has had no object in delaying his purchases in the expectation of a reduction in the duty. But, if he had been accustomed to buy

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salt in bond at 8 to 10 annas per maund, and the price advanced, as it has done, to Rs. 1 per maund in consequence of higher freight, then he would look upon the advance as due to a temporary cause, and would restrain his buying in hopes that the bonded price would come down to its old level. In so doing, he would act upon the reasonable principles which govern the operations of trade. We may rely upon it that the consumption of salt is going on just the same as before, and increasing with the increase of the population and the improvement of communications. The stocks in the hands of dealers and petty shopkeepers have been depleted, but these stocks will have to be replenished, and the amount of duty paid in the future will be all the larger in consequence. I may say with confidence that not a single Coolie has used a pinch of salt the less in consequence of the advance in the duty. The progress made in the improvement of the revenue of Upper Burma is a promising feature, and we may hope that with the pacification of that province one of our principal financial difficulties will disappear.

"On the expenditure side I feel no inclination to complain of the charges for military works, frontier railways, and improved arms of precision for our soldiers. It is for your Lordship's Government to obtain the best professional advice on these matters, and, having made up your mind as to the value and necessity of the measures proposed, to carry them out with due regard to economy. You may rely upon the support of public opinion in incurring expenditure necessary for the protection of the empire.

"And now, my Lord, I will make some observations concerning the arrangements for the coming financial year. When considering how I might best avail myself of this opportunity, the first thought that occurred to me was the difficulty of making any practical suggestions. The financial policy of Government has been decided on after mature consideration. The assent of the Secretary of State has been obtained. The Finance Minister has been for many weeks engaged upon his Budget. This Budget consists of an enormous mass of figures, dealing with the income and expenditure of an empire containing a population of two hundred millions. It is complicated by the separation of accounts relating to productive and non-productive works, by expenditure on works which, when complete, will be productive, but which, while as yet incomplete, yield no revenue; by loans to municipalities repayable by aid of sinking funds; by considerations of exchange, affecting not only our annual gold obligations but also our gold indebtedness. It is indeed the most intricate body of accounts ever submitted to a consultative assembly. We have had two days to consider it, and I think I may say that even cursory examination of such materials in so short a period is beyond the powers of man. Even if it were possible to analyse the figures and found upon them any adverse criticism of the budget, it would be impossible for Government to alter on the 29th of March a single arrangement which must come into force on the 1st of April. To one accustomed to deal with financial matters from a practical point of view, the attempt to comment upon such a Budget is indeed a discouraging task. I believe, however, that a discussion may have a remote, but yet a practical, value. For the coming year we can do nothing but accept the Budget as it stands. It is, however, possible that an expression of public opinion may influence the Government in future years. I think I may say that in past years our finance has been administered without any support from instructed public opinion in India. At the same time it has been subjected to a certain amount of deleterious influence through pressure on Secretaries of State, by grievance-mongers, ignorant of the wants and wishes of the people of India, but confidently declaiming in their name. We have reason to hope that it is now the policy of Government to give us as much influence as possible in the management of our own affairs. With further progress in this direction we may hope that the stump orator's occupation will be gone. Anything that strengthens the hands of the Government of India will, I am satisfied, be a gain to this country, and nothing will effect this except the support of a body of enlightened Indian public opinion. With this behind them our Government may disregard all the clamour of interested agitators.

"Concerning the Budget proposals, then, I have little to say. The estimates of income appear moderate, and I think there is reason to hope they will be exceeded. The expenditure proposed in the Estimates does not suggest to me any special remark. The honourable Member proposes to borrow 2½ crores of

rupees in India, and I think it right to say a word on the subject of loans. We have the choice of borrowing silver in India or gold in England, and I wish to give my reasons for thinking that the former is a most wasteful and extravagant course. We can borrow gold at 3 per cent., and we have to pay 4 per cent. for silver. There can be but one reason for preferring the latter course, and that is the prospect of such a decline in the value of silver as shall deprive us of the benefit of this difference in interest. Now, if it be desirable to insure ourselves against the risk of a decline in silver, is this a reasonable premium to pay? The difference is one-fourth of our interest charges. If we borrow gold, we will effect an economy unless and until the value of the rupee falls below 1 *s.* Now would it not be much better to borrow on the cheaper terms even if we thought it right to accumulate the saving of 1 per cent. in the form of a sinking fund? Such a fund would in 40 years extinguish the whole debt. In considering this important matter, it should be borne in mind that the ruling difference of interest, payable on gold and silver respectively, is not principally regulated, as my honourable friend has assumed, by the prospect of a change in the relative value of the precious metals. That consideration may operate in some degree, but the greater part of the difference arises from other causes. An Indian gold loan is, next to Consols, the highest form of security known. It is admirably adapted for the investments of trustees, who desire above all things to hand over the full amount entrusted to them on the expiry of their office. Such investors naturally object to a silver loan, because the rate of interest obtained is to them of no importance compared with the absolute integrity of the principal. Again, the banker who has to invest money deposited with him at call can find no more appropriate investment than an Indian gold loan. If he requires his funds, he can sell his stock at once with perfect ease and without any sacrifice. This consideration is to him of far greater importance than the rate of interest obtained. Thus by borrowing in gold we obtain our funds from that limited class of investors who are content with low interest for the sake of high security. But, when we borrow silver, although the capitalist is usually in England, he is commonly of a somewhat different class. He is content to accept the risk of certain fluctuations in the value of his security, but he looks for higher interest. I am satisfied that it should be the object of the Government of India to raise their loans in that form which is most acceptable to those investors who are willing to accept the lowest rate of interest for the sake of obtaining security that suits them. Nor am I afraid, my Lord, of the logical conclusion of this argument. I wish the Government would consider the desirability of converting their silver loans into gold loans with the object of saving a crore per annum in interest. If spread over the next 10 years, such an operation would enable the Government to reduce the amount of their Council Bills, and would bring a larger flow of silver bullion into the country. I can honestly say that in my opinion any private interest would be managed in this way. My honourable friend has views of his own about the effects of the fluctuations of exchange. Nothing will serve him except the fixity of exchange at its present point. He is apparently as apprehensive as I am myself of the evil consequences of a rise in exchange; but, on the other hand, he seems to me needlessly afraid of a fall. I cannot wonder that a Finance Minister should fear the disturbing effect upon his Budget of a fall in exchange, but this need not alarm the country, if, as could be proved, the people gain far more than the Government loses. The honourable Member draws attention to the fact that the gold price of silver and the gold price of commodities have fallen in similar proportion. He assumes a necessary connection between the two, but he does not attempt to distinguish which is the cause and which the effect. Those who voted with him on the Currency Commission were very confident that the decline in the value of silver caused the fall in the value of commodities. I do not understand that my honourable friend takes up this position, and I am therefore relieved from the necessity of attempting a refutation.

"I heard with pleasure his loyal defence of his predecessor in office from the rash attacks of would-be reformers of our liquor laws. The defence appeared to me absolutely satisfactory. Mr. Westland was well understood at the time to aim at an increase of revenue by the stricter enforcement of the claims of the excise, the natural consequence of which would have a restrictive effect on the consumption of ardent spirits.

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"The honourable Finance Minister referred to complaints that Government does not place its reserve balances at the disposal of the presidency banks. These complaints have, as usual, been put forward in the name of the public, but I know not with what authority. To the best of my knowledge, the complaints are not supported by the majority of those qualified to express an opinion. For myself, I may say that it would be suicidal policy for Government to place at the disposal of trade funds which it may at any time require at the shortest notice.

"If these balances were available to the public, they would be absorbed by the exchange banks and used in the purchase of sterling bills. The object of the exchange banks is naturally to make money. When it suits them, they will remit to England not only all their own funds, but all they can raise by borrowing. If Government, in consequence of any sudden call for funds in India, was obliged to stop drawing Council bills, it might be impossible for the exchange banks to bring out funds soon enough to meet the requirements of trade, and a ruinous crisis must result. The experience of 1886 should be sufficient warning. The exchange banks in that year obtained large advances of Government money from the presidency banks, which they remitted to England in the form of trade bills; and, by declining to purchase the Secretary of State's bills in London, caused a violent fall in exchange. When the presidency banks stopped lending, the exchange banks were obliged to rush for the means of remittance to India, and exchange rose 10 per cent. If the Government of India had required money at that moment for any special purpose, a panic and crisis would have been inevitable. I am confident that public opinion will support Government in the determination to keep its balances in its own control.

"I now venture to offer some remarks concerning the policy which should guide us in our construction of productive public works. In the first place, it is obvious that, however much we appreciate the value of railways, our action must be guided rather by relative than positive considerations. We must first make up our minds as to the capacity of the country to bear taxation, before we can resolve upon expenditure. An expected benefit from expenditure may not be commensurate with the injury done to the people by additional pressure of taxation. On the other hand, a narrow economy may be the worst policy, if the wants of the people are urgent, and if the condition of the country enables it to bear initial expenditure in the expectation of an adequate return. The first position, then, which should be established is to lay down with as much accuracy as possible the economic condition of the people. We hear a great deal about the poverty of India. That the majority of the people are poor none will deny; but it is fair to inquire whether they are poor in comparison with their wants. I believe they are not poor in this sense of the word. I believe that the sensational story that fifty millions of people are insufficiently fed is absolute nonsense. I believe that, in comparison with the population, there are more people in England than in India who find it difficult to procure the necessaries of life. I find that all over the country wages are steadily advancing, much more rapidly than the cost of living. I find that small agriculturists are prospering as they never did before. Manufacturing industries are slowly but surely extending. I find a proof of the prosperous condition of the people in the absorption of specie. We are coining silver at the rate of 10 crores annually, but it all finds its way to the interior in payment for produce, and never comes back again. Then, if the country is more prosperous, is it more highly taxed than formerly? By no means. The amount of revenue obtained from the people has increased in smaller proportion than the population. Is it then true, as is constantly stated, that the extreme limit of taxation has been reached? I do not hesitate to state that such an allegation rests on no foundation whatever, but is either wilfully or ignorantly untrue. The pressure of taxation on the people is lighter than it ever was before. This is no reason for expending more money than is necessary. It is no justification for extravagance, but it is for the advantage of the credit of the country that the truth should be known. We are in a position which justifies our borrowing money for the development of our resources, provided always that in any expenditure we incur we are clear that we get value for our money. I am glad to know that some advance is at last being made in the construction of railways by private enterprise without the guarantee of interest, and I trust the Govern-

ment will do all in their power to foster it in every way. But, applying what I have said about the condition of the country, I would say that, if the honourable Public Works Member has on hand any schemes for the extension of paying State railways, I would recommend Government to push them on at once with borrowed money, in perfect confidence that they will receive the support of public opinion.

"The interesting part of the Honourable Sir David Barbour's speech, which dealt with our financial prospects in coming years, will give food for satisfaction to the country. We have now broken the back of the huge expenditure devoted to frontier railways and defensive works. Our expenditure in Burma promises to decrease rapidly, and our ordinary revenue is rapidly increasing with the advancing prosperity of the people. There is reason to hope that before long we may have to face the agreeable problem of choosing such form of remission of taxation as shall confer the greatest benefit on the country. I am not going to weary the Council by repeating what I said last year on the comparative merits of various claims for remission. But I must warn the Government that a reduction of the salt duty should not be the first object, as there are far more pressing claims. The Secretary of State is understood to have said that he was sure the Government of India would take the first opportunity of reducing the salt duty to its old level. I have no complaint to make of this dictum, provided it means that this remission shall come in its proper turn. But I earnestly beg the Government to consult the wishes of the Indian people before they adopt the advice of some who unwarrantably speak in their name. When the time for remission comes, give us the opportunity to prove our case before an irrecoverable decision is arrived at. We ask nothing more."

His Honour the LIEUTENANT GOVERNOR said: "I had not intended in any way to take part in this debate, but some remarks fell from my honourable friend Mr. Evans on the subject of the administration of civil justice in Bengal, which seem to call for a few observations on my part. I rather wish to deprecate the idea which he has gathered from some paragraphs in the newspapers on the subject, to the effect that there has been a serious triangular duel going on between the High Court, the Government of Bengal, and the Government of India. There had undoubtedly been a difference of opinion, but what happened in the particular case was this: the honourable Judges of the High Court pointed out some time ago that the munsifs as a body were very much overworked, and that the buildings in which many of them performed their functions were inadequately ventilated and insufficient in space; and finally, after some correspondence in the time of my predecessor, the Government of India asked the Judges of the High Court definitely what they wanted, and in reply they stated that they wanted an addition of 66 munsifs. The Government of Bengal examined the question, and, admitting freely that a considerable increase in the number of munsifs was wanted, requested the Government of India to appoint a commission to examine whether, by changes of jurisdiction or by any other method, such a very large increase, amounting to about 25 per cent., might not be avoided. In making this recommendation, I observed that, if my recommendation was not accepted, that if something had to be done without such an inquiry, I would suggest a number something smaller than what the High Court proposed. However, the Government of India did adopt my recommendation: they appointed a committee of inquiry, and, pending the result of that inquiry, they authorised a limited number of additional munsifs to be appointed. But the number so allowed was merely a temporary provision pending the result of the inquiry, and it does not, as I understand it, in any way determine what the ultimate increase of establishment should be. The arrears, as my honourable friend observed, are still there; the commission will not try cases and will not bring down the number; but they are not at present heavy; they do not amount to the number instituted in any single quarter; and I think that the result of a careful inquiry will probably be well worth both the money and the time it occupies. I do not propose, however, because I have not the means to do so, to follow my honourable friend's remarks about the surplus of receipts over expenditure under this head. The question is one with which only those who have the finances of the whole empire in their hands can deal. There is unquestionably a surplus in Bengal, though I am not by any

means

means sure that there is a considerable surplus in the provincial part of the receipts. But whether there is a surplus at all in the whole of India is a different question, and it was to this question that the Honourable Mr. Westland addressed himself in the discussion which took place in the Council last year.

"I have only one other remark to make. I understood the honourable the Finance Member to say that, with scarcely any exception, the Local Governments had been able to pay their contributions to the imperial revenues on this occasion without any difficulty. I can only say that in Bengal the contribution was given cheerfully, but certainly not without difficulty. It was felt that it was an obligation to be met, but, owing to circumstances which were for the most part temporary, and which landed us in heavy expenditure, we assuredly found it a matter of exceeding difficulty and inconvenience to make the contribution."

The Honourable Mr. HUTCHINS said: "With regard to the condition of the civil courts in Bengal, and the action of the Government of India in allowing, as a provisional measure, a smaller number of munsifs than was asked for, his Honour the Lieutenant Governor has given the explanation which I intended to give. I only wish to add, though I am unable to give the figures, that there are many indirect charges connected with civil justice which, if taken into consideration, would show that the State derives no real profit, or, if any, at all events a very slight profit, from litigation."

The Honourable Sir CHARLES ELLIOTT said: "My honourable friend Rájá Durga Charn Laha, in his interesting speech, gave just credit to the Government of India for a desire to reduce expenditure under all heads as much as possible, but he hinted that there were still some reductions which might be made in the Public Works Department. I think it may be interesting as well as useful to the Council if I should, as briefly as possible, make a few remarks as to the nature of the expenditure in that Department, and how far we have been able in recent years to effect economies. The expenditure in this Department is divided into three main divisions, namely, Railways, Canals, and Roads and Buildings, and the expenditure in each of these may again be divided laterally into the three heads of Working Expenses, Construction, and Establishments. With regard to railways, the largest item in the expenditure of the Department is the working expenses of open lines, and that is an expenditure which must necessarily increase, as the number of open lines and their mileage increases, and as new railways are made and worked. The demand for new capital outlay on these lines is also an item which tends to grow in the most insiduous way; but there is no branch of expenditure in which greater care and attention have been taken to keep it down. Demands for new and ever new improvements and additions come up from all railways, calling for increased allotments more vigorously than in any other branch of the Department. I may mention here the name of a very distinguished adviser of the Government of India, who has just retired from Government service, Sir Guilford Molesworth, who had a perfect passion for economy in this direction. Many years ago he laid before Sir Evelyn Baring a proposal for closing the capital account of all railways when they had reached a certain degree of completeness, and recommended that all further expenditure connected with them should be charged to revenue and not to capital. A few months ago I had a list of all the previous year's demands for expenditure on open lines classified and laid before Sir Guilford Molesworth, and I asked him whether there was any one item in it which ought not to be granted, and he said that it was not possible, with due regard to the maintenance of those railways and to the increase to their revenues which such improvements might be expected to bring in, to refuse in a single case the money which was required. I mention this to show how vigilant we are in scrutinising expenditure, and how impossible it is to keep it down and at the same time to keep pace with necessary improvements.

"The working expenses of canals are in the same class. They must be kept up, and, as the number of miles of canals and their distributaries increase, the expenditure must increase. But in all these cases there is a per contra in the revenue which comes in from them, and it would be found that, except in a particularly bad year, such as 1887-88 had been for railway traffic, the growth of the revenue more than kept pace with the expenditure.

"Again, with regard to the construction of new canals and railways, I would point out that in each of the last three years about 50 lakhs have been laid out on canals, and 50 lakhs is the sum budgeted for this year. This amount is devoted partly to completing works under construction, and mainly to three great canals. One of these is the Periyar Canal, in the Madras Presidency. The able irrigation officers of Madras have urged, and they afford excellent evidence to show, that this canal will not only preserve the Madura district from famine and failure of water, but will also bring a large return to the treasury. The two other canals are in the Punjab, and are intended to irrigate tracts to which special attention was drawn by the Famine Commission as requiring protection. In both of these there is absolute certainty, as far as there can be any human certainty and prevision, that the water will bring in a large return and greatly increase the area under cultivation, and give room for the expansion of the constantly growing Punjab population. I am sure that what we are doing in the way of construction of canals fully meets the canon laid down by the Honourable Mr. Steel. I am not so sure that what we are doing in the way of construction of railways meets his canon. In the present year we have provided 356 lakhs under this head. Of this the larger part is devoted to carrying on and completing the works in hand, and which could not be possibly stopped. There are only two new railways which have been taken up within this year. One is the Mu Valley Railway, in Burma, an extremely important work, which is required on military and administrative grounds, in order to get access to a part of the country which now from want of roads and communications is difficult of access, and without which the Chief Commissioner feels it would be impossible for him to undertake that we shall be able to hold our ground against outrages and disturbances. The second is the Famine Railway in Madras, which runs parallel on the eastern side to the Madras Railway, and opens access to a large tract of poor country in which in 1877-78 famine raged with extreme virulence, where the people were poor and the nature of the country makes it hard to make roads. The Famine Commission urged the necessity of this railway, and both this Government and the Government of Madras have long had it under consideration, and have strongly recommended it as a most important work, and, I am glad to say, the Secretary of State has sanctioned its commencement during the present year.

"There are in the list of projects no paying State railways, and, with regard to what the Honourable Mr. Steel said on this subject, the only thing I have to say is, that we find ourselves limited by instructions received from the Secretary of State, that more cannot be spent than can be conveniently and properly raised by loans in this country. The Finance Member has stated what this amount is, namely, from 2½ to 3 crores, and more than this cannot be raised in the course of the year for railway construction.

"The third item of public works expenditure consists of the construction and maintenance of roads and railways, and appears in the Budget under the head of Imperial Civil Works. There has been considerable reduction under this head during the last three years. The allotment consisted in 1886-87 of 89 lakhs, the year after of 77 lakhs, and the present year of 64 lakhs; that is to say, there has been 20 lakhs of reduction on expenditure. Of the 64 lakhs 30 lakhs go to Burma, and that sum has been expended during the last three years. That leaves only about 30 lakhs, and even of this 10 lakhs are allotted for expenditure in England, mainly on the furlough pay of officers. This leaves a small and irreducible minimum of 20 lakhs for the whole of the territories which are not under the orders of any Provincial Government, but are directly administered by the Government of India, together with the expenditure on the great Departments of the Post and Telegraphs. When you consider what we have to do in these two Departments, and the wants of Coorg, Rajputana, Hyderabad, and Baluchistan, I think you will admit that the sum of 20 lakhs is exceedingly small, and further reduction is not possible.

"The fourth branch of expenditure is Establishments. It is a very large item of expenditure, and it is very difficult to deal with. The establishment necessarily has to come down in numbers as expenditure on public works is reduced. The Government of India is doing all in its power to reduce the establishment, and yet at the same time it is bound to do justice to the able and highly efficient officers who compose the higher branches of the Department. We have lately

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obtained the sanction of the Secretary of State to a large decrease in the annual recruitment of officers for the Public Works Department, and certain steps have been taken to induce officers to retire earlier than they need otherwise do, in order to relieve the Government of the necessity of finding posts for them. This is a subject which has given us a great deal of anxiety, and I can assure the Council that no pains have been spared to keep down expenditure under this head.

"I think that, with this explanation before them, honourable Members will agree that we are doing all that is possible to avoid any unnecessary expenditure in the Public Works Department."

The Honourable Sir DAVID BARBOUR said:—

"My Lord, I need hardly say that the suggestions and criticisms on the Financial Statement which have been offered to-day will receive the fullest attention on the part of the Finance Department, and I have no doubt they will be productive of valuable results.

"It cannot be expected that there should be complete unanimity of opinion on all the difficult and complicated questions connected with Indian finance, but there is a greater degree of agreement than I had anticipated.

"There are only a few matters in regard to which I think it necessary to make any remarks. The honourable Mr. Evans has alluded to the alleged surplus from the administration of Civil justice in Bengal. My honourable friend did not profess to be very confident about the amount of this surplus, and I am afraid I am to some extent in the same position. The calculation of the surplus or deficit is an extremely intricate one, and, though considerable attention has been paid to the subject, I am afraid the results are not perfectly trustworthy. I understand that my honourable friend would not include the receipts from the probate and administration duty or from the fees on succession certificates among the receipts of civil justice, and, if so, the surplus in Bengal would probably not exceed six lakhs of rupees yearly. In Madras there is an equilibrium or nearly so, and in every other province there is a deficit. In the Empire as a whole there is a deficit of considerable amount. I will look into the figures again, and, if it should appear that some reliance can be placed on them, I will, with your Excellency's permission, propose that they be published in the Gazette of India. My honourable friend has also called attention to the expediency of a reduction in the home charges. It may perhaps be useful if I briefly explain the nature of these charges. The public are apt to look at their total amount, and to assume that these charges are capable of reduction merely because their amount is large. Owing to the method of administration of this country, a large number of bills are drawn by the Secretary of State for India, which in the case of other countries would be drawn by private persons, and would therefore escape observation. A portion of the drawings of the Secretary of State is intended to meet the cost of stores required by the Government in India. I see no way of reducing this charge unless somebody can be found who will supply stores for nothing, and that is a contingency which we need not consider. A very large portion of the drawings represents the interest on capital invested in railways and other public works in India. Some of that capital has been raised at a little over 3 per cent. per annum, a large portion at 3½ per cent. per annum, and another portion at 4 per cent., while the capital of the older Guaranteed Companies was raised at 5 per cent. per annum. On the whole the capital has been raised at a very moderate rate of interest, and India derives great benefit from the public works in which it has been invested. I see no means of reducing this portion of the home charges, unless we are prepared to repudiate our obligations, while retaining all the benefits for the sake of which they were incurred. This is a course which, it is needless to say, my honourable friend would not recommend. There remain the administrative and military charges, which, speaking from memory, I would put at about 7,000,000 *l.* If my honourable friend or any other member of this Council can point out any way in which these charges can equitably be reduced, I shall feel it my duty to give him every support, and I am sure your Excellency's Government will not fail to press the question with all the authority which the Government of India can command.

"My honourable friend Syud Ameer Hossein has made a plea for some relief to the payers of income-tax, and especially for those whose incomes are less than Rs. 1,000 per annum. So far as regards the wealthier members of the

community, I think the claim for relief is very weak. I doubt if there is any other country where the taxation falls so lightly on such classes as it does in India. I would ask my honourable friend to consider what taxation he and I and the other official members of your Excellency's Council contribute towards the cost of the Government of this country. If he does, I think he will be astonished at the moderation with which taxation is imposed in this country. And the argument holds good in the case of the commercial and professional classes as well as in the case of the official classes. I admit that there is more to be said for the exemption from the income-tax of persons whose income is less than Rs. 1,000, but even in their case the plea for exemption appears to be by no means a strong one. In the first place, as incomes rule in this country, an income of even Rs. 500 a year is not low relatively to the incomes of the vast majority of the people. In the next place, the persons whose incomes are between Rs. 500 and Rs. 1,000 would pay little or nothing towards the expenses of the State if they did not pay the income tax. And, last of all, we cannot do without the money, and I do not at this moment foresee the time at which we will be in a position to say that this class has the first claim to relief.

"The honourable Rájá Durga Charn Laha has referred to the contribution of 74 lakhs for next year from Local Governments, and appears to hold that the resources of those Governments have thereby been crippled. I do not know what foundation my honourable friend has for that statement. I am happy to say that, even after making their contributions, the resources of the Local Governments of Bombay, Madras, and Lower Burma, are ample.

"The Central Provinces and Assam make small contributions which do not press on them with any severity, and the only province which is in any way straitened is Bengal. No doubt it has been found necessary to re-impose the patwari-cess in the North-Western Provinces and Oudh; but, after all, that only amounts to re-placing a burden which had been borne from time immemorial up to 1882. And the whole cess has not been re-imposed. The zamindars and raiyats of the provinces in question have been relieved to the extent of one-third of the total amount required. It is a fact that the taxation in Bengal is far lighter than in any other province of the Empire; and Madras, Bombay, and the North-Western Provinces and Oudh, complain loudly—and I think with some justice—that Bengal escapes her fair share of the State burden. In these circumstances, it is with some surprise that I have heard my honourable friend as a representative of Bengal complain of the burden of taxation, and propose to abolish the income-tax, which is really the only means we have got of making the professional, the commercial, and the official classes contribute anything worth mentioning to the expenses of the State. My honourable friend apparently would contemplate with equanimity the remission of the rice-duty in Bengal, while retaining it in Burma. I cannot believe that, when he made that suggestion, he was aware that Bengal is the most lightly taxed province of the Empire in proportion to population, and that Burma is the province which pays the highest rate of taxation. My honourable friend has alluded to the increase of revenue by 16 crores in the last eight years, but he has not noticed, as I think he ought to have done, how much of that increase is due to traffic receipts on new railways, and to the purchase by the State of lines formerly owned by Guaranteed Companies.

"I am sorry to have to say that I do not agree with my honourable friend either as to the income-tax or the duty on salt. The salt-tax is a tax on a necessary of life, and falls with almost the same weight on the rich and on the poor. No doubt the salt-tax has its advantages in some respects; it is easily collected, it is productive, and its incidence is spread over a wide area, but, the lower the rate of duty can be kept, the better from every point of view except the purely financial one.

"I have already dwelt on the question of the income-tax in replying to the remarks of the Honourable Syud Ameer Hossein, but I may add that it is with great regret that I have heard the Honourable Rájá Durga Charn Laha propose the abolition of the income-tax, while retaining the salt-duty. I do not doubt that my honourable friend is thoroughly sincere in his opposition to the income-tax, and that he considers it unsuited to this country; but the practical effect of his proposals would be to make the rich richer, and the poor poorer, though the wealthy members of the community whom he proposes to relieve are those who gain most by the Government and contribute least to its support in proportion to their means.

"I think

"I think it would be an injustice so gross as to amount to a scandal, if the Government were to take off the income-tax, while retaining the salt-duty at its present figure.

"The Honourable Mr. Steel has made some remarks on the question of exchange, which show that he is under a misapprehension as to my views—a misapprehension due, I dare say, to my not having made my meaning sufficiently clear. It is not the case, as my honourable friend supposes, that I would be satisfied with nothing but fixity of exchange at the present point, nor is it the case that I am as apprehensive as he appears to be regarding the evil effects of a rise in exchange. I will quote again the words which I actually used at the last meeting of Council:—

"In the interests of India, a sudden reversion to the old ratio of 1 to 15½ brought about by the action of foreign countries, and the continuous and progressive demonetisation of silver, accompanied by a fall in the value of the rupee to an unknown and unlimited extent, are alike to be deprecated."

"I am afraid, in the interests of India, of a sudden and violent reversion to the old ratio of 1 to 15½ brought about by alterations in the currency laws of foreign nations, but I am not apprehensive as to the effects of a gradual and moderate rise in exchange. So far from being apprehensive of the ill effects of any rise in exchange, I should welcome a rise of a penny or two in the value of the rupee during the coming year as an unmixed blessing, and I do not think that even my honourable friend or the important class he represents would view such a change with either apprehension or regret. I admit that I am afraid of the results of a further fall in the value of the rupee of unknown magnitude. We have used up a great many of our resources during the last five years in meeting the fall in exchange, and, if I thought the fall was likely to be as great during the next five years as it has been during the last five, I should take a much more gloomy view of our position than that which I expressed in the Financial Statement.

"For the reasons I have stated, I am in favour of prudent, gradual, and well-considered measures being taken to relieve us from our present difficulties and from the dangers of the future, and I am of opinion that the measures should be such as will secure the object aimed at with a minimum of disturbance to existing interests. I know no means of achieving this result, except by international agreement.

"The Honourable Mr. Steel has also expressed a strong opinion that to borrow in silver instead of in gold is a most wasteful and extravagant course. He says that there can be but one reason for preferring the former course, and that is the prospect of such a decline in silver as shall deprive us of the benefit in interest. I do not think that this is quite a fair statement of the case, and my honourable friend somewhat overstates the advantages of borrowing in gold. The difference in the rate of interest at the present moment is no doubt very great, but I think that difference will diminish, and my honourable friend does not seem to attach sufficient weight to the burden of having to repay the principal of the gold debt after a fall in the value of the rupee. I freely admit, however, that an arithmetical calculation shows that the gain from borrowing in gold is sufficient to balance the loss from a very great fall in silver in the future—a fall so great that I sincerely trust we shall never witness it. But I cannot admit that the question is merely one of arithmetic. It is contrary to sound principle for a country to incur obligations in any standard other than its own—a principle which we have already violated to a greater extent than is either prudent or safe. In recent years we have practically borrowed very largely in gold, and will do so in the coming year, by guaranteeing interest payable in gold on capital raised in England for the construction of railways. During next year the Secretary of State proposes to raise no less than 3,750,000 *l.* in London on this account. And, if a severe famine occurred, as it might at any time, I have no doubt that money would have to be borrowed largely, and that it must be borrowed in London.

"The Government is incurring heavy expenditure on military preparations, and I understand that their policy has the support of my honourable friend. There would be no justification for such expenditure if a great war were not at least a possibility of the future. The money for a war of this nature could not be borrowed in India, and must come from England, and there is no doubt but that the amount required would be very great. Looking, then, to the fact

that we have already incurred heavy gold obligations, that we are at this moment borrowing largely in gold, that we may have to borrow still more largely in this way, and that we know nothing of the future relative value of gold and silver, I think it is only a matter of ordinary prudence that in a time of peace we should incur some loss, in order to avoid adding to what is already a cause of embarrassment and might become a source of danger. Both from a political and an economic point of view there are great advantages in raising money in India. It will be in the recollection of this Council that some time ago we obtained a loan of 3½ crores of rupees from the Gwalior State. The interest on that sum comes to 14 lakhs of rupees yearly. Every rupee of that amount is pure gain to India; there is no portion of the Indian expenditure which I contemplate with greater satisfaction; and, notwithstanding the criticism of my honourable friend, I should be very glad to hear that other States were prepared to lend on the same terms.

"In this respect I am in entire agreement with the Honourable Durga Charn Laha as to the expediency of keeping down the home charges."

His Excellency The PRESIDENT said:—

"It will not be necessary for me to occupy the time of the Council for many minutes, but there are one or two observations which I should like to offer before this discussion closes. It has been an unusually short one, but the speeches which have been delivered afford an excellent illustration of the advantage to be derived by the Government of India, and by the public, from the practice of affording to the Legislative Council every opportunity of considering, reviewing, and criticising the financial proposals of the Government. The ultimate responsibility for such measures must no doubt remain with that Government, but that responsibility will certainly sit more lightly upon our shoulders if we know that our proposals have been framed in such a manner as to stand the test of examination and criticism by our colleagues at this table.

"It has, I believe, usually been held that the terms of the Act by which our proceedings are governed preclude such examination, except when the financial arrangements for the year involve legislation in Council. I will not pause to inquire how far this view is borne out by the letter of the Indian Councils Act. It has certainly been borne out by the persistent interpretation which has been placed upon the Act both here and by different Secretaries of State. A case is, I understand, upon record in which a Viceroy drew upon himself the censure of the Secretary of State for having permitted a discussion of the Budget without the pretext that it was connected with one of the Bills brought before the Council during the Session. The result has been that the Legislative Council has or has not been able to discuss the Budget according as it was or was not connected with some change in the laws of the country, and it has thus come to pass that during the last 25 years the Budget has been discussed in Council upon 12 occasions, while in the remaining years no such discussion has been allowed to take place.

"This seems to me, I must say, an altogether incongruous and inconvenient arrangement, and I feel little doubt that, as far as the present year is concerned, honourable Members will share the opinion of my honourable friend, and will approve of our action in taking advantage of the passage of the Bill which we are now considering, and which to some extent touches the fringe of our financial arrangements, in order to lay before Council the whole of our scheme for the financial administration of the coming year. This course is one which entirely commends itself to my judgment, and I am glad to express publicly my opinion that the opportunities accorded to the Legislative Council for passing under review the financial situation of the country should occur with regularity, and should not depend, as they depend at present, upon what is after all a mere accident—I mean the necessity of financial legislation in any particular year.

"Honourable Members are no doubt aware that this question has been for a long time under the consideration of the Government of India, and that the view which I have just expressed was strongly entertained by my predecessor, who felt it to be his duty to make a representation upon the subject to the Secretary of State. Since my arrival in this country I have followed the matter up with the entire concurrence of my honourable colleagues in the Government of India, and I am glad to say that Lord Cross has given his cordial adhesion to the proposition which I have just advanced.

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"The arguments in its favour appear to me, I must say, conclusive, and they are supported by a great weight of authority, including, I believe, that of all the principal Chambers of Commerce of India.

"I remember being much impressed at the time by an observation from my honourable friend Mr. Steel on the introduction of the Bill now before us. If the imposition of a new tax is a matter worthy of discussion at this table, it is, I think, quite true that, as he observed, the remission of an old tax is equally worthy of such discussion. I can conceive no pretext upon which it could be held that in one case discussion is desirable, and in the other inconvenient or unnecessary. It seems, indeed, to me that, if a distinction is to be drawn, if the criterion is to be the public importance of the step, the remission of an old tax may often require more careful discussion than the imposition of a new one. The imposition of a new tax is pretty sure not to be resorted to without sufficient consideration. The measure is bound to be unpopular with some one. It is sure to provoke criticism, and it will certainly be narrowly scrutinised both by those who impose the tax and by those upon whom it is imposed. The abandonment of an old tax is, however, a very different thing. The Exchequer may be overflowing at the time; the remission is agreeable, both to those who make it and to those who profit by it; the temptation to be liberal, to spend the money while you have got it, is strong; every one is pleased; and it thus comes to pass that by a stroke of the pen a permanent source of income is lost or alienated, without that consideration to which a step so momentous is entitled.

"Even, however, if the Budget involves neither the imposition of taxation nor its remission, but merely the retention of existing taxes, it does not appear to me that we are therefore relieved from the duty of taking Council into our confidence. The proposal to retain an existing tax may, under certain circumstances, be as fairly open to question as the proposal to remit taxation or to impose it. Every Budget involves proposals falling under one or other of these three heads, and the conclusion appears to me to be irresistible that it is for the public convenience that, under whichever category the proposals contained in the Budget of any given year may happen to fall, those proposals should be submitted for your examination here.

"Another consideration leads me to the same conclusion. Financial criticism, if it is to be valuable, should be as continuous as the financial policy which it criticises. The financial history of a country is uninterrupted; so should be the watchfulness of those who are entrusted with the duty of passing it under review. It seems to me almost an absurdity that it should depend upon the mere accident of the introduction of a Bill whether that review should take place or not. Such a review should extend not only to the past and to the present, but to the future, with its prospects and possibilities. Perhaps no advice is more valuable than that which has reference to the remoter future. The income and expenditure of the past year are beyond recall, and at the time when the Budget is framed it would be extremely difficult for the Government to recede from the arrangements which it has made for the year which is just about to commence. In regard, however, to the years which lie beyond, the Government of India is not committed to the same extent, and is still in the position to profit by useful suggestion and advice. I welcome in this spirit that which has been given to us by the honourable members who have placed upon record their opinion as to the course which should be adopted in the event of our being hereafter in a position to remit taxation. I trust that they are right in anticipating that we may, before we are much older, find it to be our agreeable duty to consider what burdens we can remove from the shoulders of Her Majesty's subjects in this part of the Empire; and I can promise them that, should the Government of India, while I have the honour of being connected with it, find itself in the happy position of being able to dispense favours, we shall be careful to do so with the utmost circumspection, and with a due regard to the arguments which they have advanced.

"I mentioned just now that the Secretary of State had expressed his concurrence in the proposal that there should be an annual, instead of an occasional, discussion of the Budget in Council. I may perhaps take this opportunity of mentioning that this subject appears to the Government of India as well as to

the Secretary of State to be closely connected with another; I mean the propriety of giving to members of the Legislative Council of the Government of India, under proper safeguards, the right of addressing questions to the Government upon matters of public interest. I am in a position to state that we are in favour of a change in this direction, and that this question is also engaging our attention and that of the Secretary of State. I make this announcement, however, subject to two important qualifications. It will, in the first place, be necessary to ascertain clearly whether the law, as it now stands, permits the course which we should like to adopt, and, if it does not, how it should be amended. In the next place, it will be necessary effectually to limit the right of interpellation in such a manner as to preclude absolutely all questions which could not be put without injury to the public interest. This is a point of the utmost importance, and will require the most careful examination.

"The case of the Bill before us shows how much easier it is to surrender a source of income than to get it back again. The evidence adduced has demonstrated that the remission of the patwari-cess failed to have the effects anticipated from it, while it involved the sacrifice of a large annual revenue. We have now to be content if we can recover for the public a part of the resources which we then abandoned. We shall also, I am afraid, be compelled to admit that, to some extent at all events, it may prove beyond our powers to distribute the incidence of the re-imposed burden between landlords and tenants with absolute fairness. It is difficult to disprove the statement that the new law may involve a certain degree of apparent hardship to those tenants who obtained no benefit from the remission of 1888, and who, having, upon that occasion, failed to obtain any relief from the taxation to which they were then liable, may now find that under this Bill a new burden is imposed upon them. We may, however, I think, take for granted two facts. First, that any attempt to deal exceptionally with these apparently hard cases will involve the creation of a much greater number of much harder cases. I have little doubt that, as was stated in 1884 by Sir Alfred Lyall, 'it is impossible to resolve existing rents into their original component parts, and to lay down what portion of them represents the old patwari-cess'; and I am also afraid that any attempt to exempt tenants with occupancy-rights from the new impost would involve the infliction of what would certainly be regarded as a grievous wrong upon the tenants-at-will, whom we could not protect and who occupy nearly one-half of the total area of these provinces. In the next place, it seems to me that, considering the smallness of the rate for which the tenant is liable to be called upon—a rate which cannot exceed, speaking in round numbers, one per cent. upon the annual rent of his holding—considering also the fact that the tenants as a body have a large interest in the effectual performance of the services rendered by the patwari, the grievance, if indeed it be one, is of infinitesimally small proportions.

"I will say one or two words only as to the Financial Statement of my honourable friend and the observations which have been made upon it. That statement appears to be one which we can contemplate, if not with positive satisfaction, certainly with the feeling that much worse things might have befallen us. During the course of last summer my honourable friend and I were in constant personal communication with the Secretary of State and with other persons regarded as high authorities upon Indian questions. I think that at that time we should all of us have been extremely gratified if there had been reason to anticipate that my honourable friend would be able to show so satisfactory a condition of things, either in respect of his anticipations for the Budget of next year, or in regard to the accounts of the year which is about to close.

"That he should have been able to do this is partly due to circumstances which we can regard with unmixed satisfaction. The downward course of the gold value of silver has for the moment been arrested, and the elasticity shown by the ordinary sources of revenue has, upon the whole, been satisfactory. On the other hand, I feel bound to express my regret that we should have found it impossible to establish a financial equilibrium for 1889-90 without again calling upon the Provincial Governments to contribute towards our necessities from the balances at their disposal. No one, whether an individual or a corporation, particularly

particularly enjoys treatment such as that which the Provincial Governments have lately experienced at our hands. It is treatment which I have heard described in terms which lost nothing of their severity from the fact that they were usually couched in allegorical language. The Council is well aware that it was the intention of the Government of India to achieve its purpose by a more ingeniously contrived and more plausible procedure than that which we actually adopted. The scheme for the assessment of the provincial contributions embodied in the well-known Circular of 2nd October of last year is within the recollection of honourable members. When I arrived in India, that scheme still held the field, and representatives of the principal Provincial Governments had been invited to meet the predecessor of my honourable friend in this city, and to confer with him in regard to the proposals therein contained. The conference took place, and it disclosed two most important facts. The first of these was that the honourable Mr. Westland, after full discussion with the provincial delegates, came to the conclusion that some of the proposals, and amongst them those which had been regarded as the most important and essential features of the project, ought not to be insisted upon. We became aware in the next place that the representatives of the provinces very much preferred the simple and unscientific methods which my honourable friend has adopted, to the more elaborate and ingenious procedure by which the Government of India had designed to place the provinces under contribution. Under these circumstances one course only was open to us. My honourable friend had but lately assumed the duties of his important office. I had myself only been a few weeks in the country, and we were, under the circumstances, both of us entitled to ask that any attempt to dispose finally of this important question should be, for the present, deferred. It seems to me that under these circumstances my honourable friend was amply justified in abandoning the procedure originally contemplated, and in giving up for the moment any attempt at a scientific readjustment of the basis of these provincial contributions and in resorting to an *ad interim* arrangement which would give him the ways and means which he required, but which would leave the much larger questions at issue still open for further review. I will add nothing to this part of my observations, unless it be to express, with reference to the remarks which have just fallen from my honourable friend the Lieutenant-Governor, my sympathy with the Provincial Governments which have been called upon to submit to these sacrifices for the sake of the Imperial Exchequer. The balances upon which we have indented may in some cases have been due to the natural growth of the revenue; in others they may have been the result of careful and economical administration, and of the wise husbanding of resources in view of the necessity of large expenditure on local objects of a useful character. The sacrifices which the provinces have been called upon to make have, no doubt, involved in some cases the abandonment of cherished schemes of local improvements, and we cannot expect the Governments concerned to submit to such a sacrifice without a murmur. We can only assure them that, if the concession was disagreeable to them, it was not less disagreeable to us to require it, and that we have asked them to submit to it upon a principle the soundness of which they will not dispute, I mean the principle that the solvency of the Indian Empire is a matter of interest to every part of it; that the finances of India must be dealt with as a whole; and that the relations of the Central and Provincial Governments should be such as to place upon the latter the obligation of sharing to the full the financial responsibilities and difficulties of the Empire.

"We are, however, I think, bound to ask ourselves whether it would have been possible for us to avoid these demands on the provinces, or to remit any of the taxation which has recently been imposed by a retrenchment of our expenditure. I yield to no one in my conviction that watchfulness over our expenditure lies at the bottom of sound finance in this country, and I agree with what fell just now from the Honourable Rájá Durga Charn Laha when he dwelt upon the urgent necessity for exercising such watchfulness. But, although I look forward to the time when it may become possible to keep that expenditure within narrower limits than those within which it is at present confined, I am bound to say that it is not easy to point to any items in the estimate for next year in which an unreasonable demand has been made by the responsible Department.

"My honourable friend has dealt fully with the question of army expenditure. These estimates show no doubt a large excess over the estimates for the year which is just ending. I have had frequent communications with the honourable member in charge of the Military Department upon this subject, and I am bound to admit not only that its requirements do not appear to me to be extravagant, but that it has had, in deference to our necessities, to abandon more than one useful project which it might otherwise have pressed upon us.

"We must not allow ourselves to lose sight of the fact that since 1885 the number of troops in India has been increased by 30,000, and that the presence of so large an additional force in the country involves not only an increase under the head of pay, but a large consequential expenditure under the head of barrack accommodation and other items.

"Then, again, we have an increased expenditure of 206,000 *l.* in England for new rifles and guns, an exceptional expenditure incurred for an object absolutely essential to the efficiency of the different arms of the service. We have besides a sum of 20 lakhs for the mobilization of our forces, an expenditure which I hope we shall none of us grudge, but which is also an unusual one. There is besides a very appreciable increase of expense occasioned by the higher prices which we have lately been called upon to pay for provisions and forage. A small extra vote has also been taken for the two sets of military operations at this moment in progress. This expenditure is also exceptional in character, although I am afraid that with our extended frontier we cannot allow ourselves to look forward in the immediate future to a time when such expeditions will become unnecessary.

"I would make one general observation upon this question of military expenditure. I trust that we may be far remote from the time when it may become our duty to make use of our military resources in actual warfare, but it is idle to conceal from ourselves that we may be called upon to do this, and that the call may be a very sudden one. It seems to me that a solemn obligation lies upon us to see that the defences of this part of the Empire are maintained in a state of the highest efficiency. The recent tension and uneasiness which have prevailed upon the western frontier of Afghanistan afford a good illustration of the risks to which the public peace is exposed in that part of the world. I rejoice to be able to state that all the information in my possession is to the effect that nothing has been further from the thoughts of His Highness the Amir of Afghanistan than to provoke a collision, and that the measures recently taken by the Government of Russia were prompted not by any desire to court one, but rather by the apprehension that the presence of the Ruler of Afghanistan on the frontier might lead to an outbreak of a kind which, even in the absence of any desire to foment mischief, arises too readily amidst the inflammable materials which are to be found in that part of the Asiatic Continent. That tension has, however, served to illustrate the precarious nature of the conditions upon which peace in this part of our borders depends; it is our duty under such conditions to maintain a high state of preparedness, and I trust that we shall not cease to do so, and that we shall not regard with too much reluctance the sacrifices entailed by such a policy.

"Great Britain is at this moment submitting to such sacrifices, upon a scale by the side of which what we are doing sinks into insignificance, with the object of strengthening herself to the point required by the huge armaments and vast hosts accumulated by foreign Powers. It seems to me that India may fairly submit to bear some share of the sacrifices thus imposed upon the Empire. The least that we can do here is to carry out promptly and effectually the defensive measures which the Government of India has already sanctioned. Nothing is more calculated to produce a mischievous and mistaken impression than any apparent breach in the continuity of our military policy. I am glad to learn that the defences of our north-west frontier are making satisfactory progress, and are approaching completion; that, out of a total estimated expenditure of Rx. 13,500,000 assigned to frontier railroads, Rx. 11,250,000 will have been covered by the end of the next financial year; and that we shall by that time also have paid for three out of five and a-half millions of expenditure assigned

to

to coast and frontier defences. In these matters a consistent policy and the rapid and uninterrupted execution of works, when once they have been determined upon, will, I am convinced, be found in the end to be the most economical course; and I was glad to hear my honourable friend Mr. Steel state as explicitly as he did that we might rely upon the support of public opinion in adopting that course.

"If this is the opinion of my honourable colleagues, they will, I hope, agree with us in believing that, under the circumstances which have been so clearly set forth by the honourable Sir David Barbour, we were justified in not proposing to the Council any important changes in the taxation of the country, and taking measures to secure for the coming year the small additional amount of revenue required in order to raise our income to the level of our expenditure.

"We may, I think, dwell with satisfaction upon a well-maintained increase in our land revenue and in our receipts from railways, post offices, and telegraphs, an increase which is likely to be sustained in years to come. Let me, in connection with this question of the increase of our revenue, express the satisfaction with which I listened to Sir David Barbour's effectual vindication of the Government of India and of the Provincial Governments from the charge which has been made against them that they have, in order to increase their receipts from Excise, stimulated the consumption of intoxicating liquors and connived at the spread of intemperate habits. I have paid some attention to this important question, which has recently been under the earnest consideration of the Financial Department and of His Honour the Lieutenant-Governor of this province. The evidence which has been laid before me has entirely satisfied me upon three points—

(1) That an increase in revenue from excise does not necessarily justify the inference that there has been an increase in the consumption of liquor; it has, on the contrary, in many cases been conclusively shown that an increased revenue has been received upon a diminished consumption;

(2) That it is idle to expect that the Government of India should be able to invent or to put into force an uniform system of excise administration suitable to the requirements of all parts of the country: and

(3) That, if during recent years there has been in some districts an unusual amount of illicit traffic, of loss of revenue, and of intemperance, these have been in great measure due to the mistaken assumption that an uniform system was practicable, and to the sudden oscillations of excise policy occasioned by this belief.

"I wish, before I leave off, to add one word with regard to our prospects in Upper Burma. These are, I think, such as to give us every reason for dwelling hopefully upon the future of that country. My honourable friend has pointed out that the estimate for the net charge under this head for 1889-90 is less by 25 lakhs than that for the year which is just ending. This has been the case in spite of a heavy additional expense for the new railway and for the police which we are employing in lieu of regular troops. The cost of the new province is still, however, largely in excess of the return which we obtain from it. This is a condition of things which will, I have little doubt, within a brief space of time, have entirely passed away. In some districts no doubt the inhabitants are still addicted to their old lawless pursuits, nor is it likely that they will suddenly relinquish those habits merely because their country is becoming incorporated in the British Empire. Our difficulties are greatly increased by the fact that on three sides Burma is coterminous with zones of frontier territory inhabited by tribes subject to no fixed system of government and accustomed from time immemorial to warlike and predatory habits. We are, I believe, slowly, but surely, wearing down the opposition of these; it can be best overcome not by expensive military operations, but by the persistent punishment of evil-doers, by the establishment of improved communications by road and rail, and, above all, by affording to the people of Burma practical evidence of the immense material advantages which are to be derived from British rule. The completion of the railway to Mandalay is a most important step in this direction, and I am glad to observe that a sum is provided in the Estimates for next year

for the purpose of prolonging that railway in the direction of Mogoung. I may mention in this connection that I have lately received from the Chief Commissioner most reassuring reports as to the general improvement of the country. I learn from him that crime in the Upper Province is steadily diminishing, that the people are returning to their villages, and that the country is well cultivated. The excitement occasioned by the recent outbreaks during the cold weather appears to be passing off, and the police are gaining ground rapidly. In many of the districts in which serious disturbances had taken place the country is now described as perfectly quiet. In the Shan States, too, there is a marked improvement. Perhaps the surest indication of the general progress that is being made is to be found in the steady increase of the revenue. This rose from 22 lakhs in 1886-87 to 50 lakhs in 1887-88, and is estimated to bring in 68 lakhs in the current year, and nearly 76 lakhs in the year which is about to commence. The increase of the land revenue, which is virtually a tax upon each household, and which has risen from 16 lakhs in 1886-87 to about 41 lakhs in the present year, the estimate for the new year being nearly 45 lakhs, may be regarded with special satisfaction; every increase of 10 rupees in this tax meaning, as the Chief Commissioner has pointed out to me, that a household has settled down to peaceful pursuits, or that a household which had escaped assessment, owing to the revenue officers having been occupied in suppressing disturbances, has now been assessed.

"I venture to submit that it is our duty to fix our attention upon the general improvement denoted by the facts and figures which have been given to us by my honourable friend and by the Chief Commissioner, rather than upon isolated outbreaks or small local effervescences. These are to be expected, but their significance is not great, and I think the Chief Commissioner may well be congratulated upon the courage which he has displayed, and upon the success which has attended him in the performance of one of the most difficult tasks which a servant of the Government of India has ever been called upon to perform.

"As for the financial position of India, it is, I have no doubt, as Sir David Barbour has pointed out, in the main a sound one, although at the present moment, for reasons which he has given, our resources are subjected to an unusual strain. Under these circumstances the proposals of the honourable member are, I think, those which best meet the requirements of the moment. We may be well content if, in spite of the heavy loss by exchange to which he refers, and of the fact that we are providing out of income for special defences to the value of Rx. 1,102,000, we are able to anticipate a small surplus for the coming year. For what lies beyond we must wait upon events, but we may, I think, do so in the hopeful spirit which characterised his statement. If we are able to avoid needless and unprofitable additions to the indebtedness of the country, if we can bring to account its vast latent resources by the judicious investment of capital in their development, if we are able to achieve these results without throwing forward upon those who will come after us the burden of outlay properly chargeable to the revenues of our own time, we need not despair of the future."

The Motion was put and agreed to.

RETURN.

EAST INDIA (FINANCIAL STATEMENT, 1890-91).

Ordered, by The House of Commons, *to be Printed*,
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RETURN to an Address of the Honourable The House of Commons, dated 17 April 1890;—*for*,

"COPY of the INDIAN FINANCIAL STATEMENT for 1890–91, and of the PROCEEDINGS of the LEGISLATIVE COUNCIL of the GOVERNOR GENERAL thereon."

India Office,
17 April 1890.

J. A. GODLEY,
Under Secretary of State for India.

(Sir George Balfour.)

Ordered, by The House of Commons, *to be Printed*, 22 *April* 1890.

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TABLE OF CONTENTS.

PART I.

IMPERIAL REVENUE AND EXPENDITURE.

	PARA.	PAGE.
Preliminary	1	5
I. Accounts of 1888–89	2	5
II. Financial position of 1889–90 and 1890–91	3	5
III. Proposals in connection with the Grant for Famine Relief and Insurance	14	8
IV. Practical Results of the Policy now adopted	21	10
V. Financial Prospects in the Future	23	10

PART II.

IMPERIAL, PROVINCIAL, AND LOCAL FINANCE.

I. Accounts of 1888–89	1	11
II. Revised Estimates of 1889-90 and Budget Estimates of 1890–91	6	13
Land Revenue	12	16
Opium	16	18
Salt	17	19
Stamps	24	22
Excise	25	23
Provincial Rates	26	23
Customs	27	24
Assessed Taxes	30	25
Forests	31	26
Interest on Debt	32	27
Post Office, Telegraph, and Mint	35	29
Civil Departments	36	30
Miscellaneous	38	31
Famine Relief and Insurance	39	31
Railway Finance	40	32
Irrigation	52	38
Buildings and Roads	54	39
Army	56	40
Special Defences	59	41
III. Progress in Upper Burma	60	41
IV. Ways and Means—Home Treasury	61	42
Ways and Means—India	63	44
Savings Banks	65	45
Loans to Municipalities, &c.	66	45
V. Summary	68	46

APPENDIX I.:

PAGE.

Despatch from Her Majesty's Secretary of State for India to the Government of India, No. 378, dated 17th December 1885 - - - - - 48

Telegram from the Government of India to Her Majesty's Secretary of State for India, dated 5th March 1890 - - - - - - - - - - 48

Telegram from Her Majesty's Secretary of State for India to the Government of India, dated 6th March 1890 - - - - - - - - 48

APPENDIX II.—ACCOUNTS AND ESTIMATES:

General Statement of the Accounts and Estimates of the Revenue and Expenditure and Receipts and Disbursements of the Government of India, in India and in England - - - - - - - - - - 50

A.—Statement of the Revenue of India, in India and England - - - 52

B.—Statement of the Expenditure chargeable on the Revenues of India, in India and in England - - - - - - - - - - - 54

C.—Statement of Receipts and Disbursements other than Revenue and Expenditure of the Government of India, in India and in England - 58

D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Contracts - - - - - - - - - - - - - 60

E.—Statement of Net Revenue and Expenditure—England and India - 62

APPENDIX III.—COMMERCIAL AND FINANCIAL STATISTICS - - - 65

Proceedings of the Legislative Council of India, 21 March 1890 - - - 82

Proceedings of the Legislative Council of India, 28 March 1890 - - - 85

COPY of the INDIAN FINANCIAL STATEMENT for 1890–91, and of the PROCEEDINGS of the LEGISLATIVE COUNCIL of the GOVERNOR GENERAL thereon.

FINANCIAL STATEMENT FOR 1890–91.

PART I.

IMPERIAL REVENUE AND EXPENDITURE.

PRELIMINARY.

1. THE Financial Statement for the coming year has been divided into two Parts: Part I. deals with the financial position of the Government of India, and takes into account only the Imperial Revenue and Expenditure as distinguished from that which is Provincial or Local; Part II. contains an explanation of the Indian Budget as a whole. This change has been made with the object of presenting an outline of the financial position which will be sufficient for the ordinary reader. Such an outline will be found in Part I. Those who desire fuller information will find it in the second Part of the Statement.

SECTION I.—ACCOUNTS OF 1888-89.

2. Since the last Financial Statement was made, the Accounts of the year 1888-89 have been finally closed. They show a surplus of Rx. 37,000.

The Budget Estimate of that year, framed in March 1888, showed a deficit of Rx. 698,000. The Revised Estimate of the year, framed in March 1889, showed a reduced deficit of Rx. 201,700; the Accounts, as I have just said, show that the year has closed with a surplus of Rx. 37,000.

The improvement in the financial position during 1888-89 is satisfactory, but the important question of to-day is the position of the finances during the current and the coming year.

SECTION II.—FINANCIAL POSITION OF 1889-90 AND 1890-91.

3. The Estimate of the current year, as framed in March last, showed a surplus of Rx. 106,300.

The Revised Estimate, if compiled in the same way as the Budget Estimate, would now show a surplus of Rx. 2,733,200, and the Estimate of the coming year would show a surplus of Rx. 304,900. Certain special arrangements are proposed which will affect the surplus of 1889-90 and of 1890-91, but it will be convenient to keep these arrangements out of sight until it has been explained how it happens that the Budget surplus of the current year has grown into Rx. 2,733,200, while the Estimate of the year 1890-91, if compiled on the same basis, would show a surplus of only Rx. 304,900. Indian finance is subject from year to year to disturbing causes which have a serious temporary effect; and for this reason a surplus in any year can no more be said to prove that the

finances are in a sound state, than a deficit in a single year can be held to prove that their condition is unsound. It is important that it should be clearly understood whether the high or low surplus, or, it may be, deficit, of any year is due to permanent or temporary causes, and I shall endeavour to explain to what extent the improvement in the financial position is due to lasting influences and to what extent it is only temporary.

4. In the first place I propose to offer a few remarks on the subject of Exchange, so as to clear that question out of the way at the beginning. I have seen it stated that the improvement in the current year is largely or mainly due to the rise in the rate of Exchange. This is not the case. The rate of Exchange taken in the Budget Estimate was 1 *s.* 4·38*d.* = one rupee. Although the rate of Exchange is now considerably higher than that rate, it was lower during a large portion of the year, and the average rate of Exchange for the whole year 1889-90 is now taken at only 1 *s.* 4·552 *d.* per rupee. The rise is therefore only slightly greater than one-sixth of a penny per rupee. The rate of Exchange affects so many of our transactions that it would be a difficult and tedious task to calculate precisely the amount of improvement which a rise of one-sixth of a penny per rupee has produced. For present purposes it will be sufficient to put the improvement at Rx. 200,000 in round numbers. In the explanation I am about to give I shall distribute this improvement of Rx. 200,000 among the several heads affected.

5. Although the improvement in the position has not been mainly due to the rise in Exchange, the cessation of the long-continued fall in the gold value of the rupee has been a most welcome relief to the finances. From 1873 to 1890 there have only been two other years (1879-80 and 1883-84) in which the actual rate of Exchange exceeded or was equal to the rate taken in the Budget, and the average yearly fall from 1873-74 to 1889-90 has been ·36 of a penny per rupee, or more than twice the rise in the current year.

Although the cessation of the hitherto continuous fall in the value of the rupee measured in gold has greatly improved the financial position for the time being, the uncertainty as to the future relations of the precious metals constitutes a very serious danger, and one which it would be worth our while to make great sacrifices to escape. The future of the Currency question appears to rest at the present time in the hands of the United States of America.

6. The chief improvement in the current year appears under the head of Opium. There is an increase of Rx. 286,400 in Opium Revenue; there is a decrease of Rx. 708,800 in Opium Expenditure. The total improvement under Opium is consequently Rx. 995,200. In the Budget Estimate the price of Bengal opium was taken at Rs. 1,070 a chest. It has proved to be Rs. 1,136; this accounts for the improvement in Opium Revenue, an improvement which I regret to say is not likely to be maintained during the coming year, as the price of Bengal opium at this month's sale was only Rs. 1,040 a chest, though the market price has since risen.

The decrease in Expenditure is due to a poor crop of Bengal opium. The total crop of Bengal opium is purchased by Government at a fixed price per seer. A good crop means heavy expenditure in the purchase of opium; a poor crop means a saving in expenditure. The quantity of opium produced in any season does not immediately affect the quantity of opium which is sold, as some time elapses before the new crop comes into the market, and Government maintains a reserve with the object of equalizing the quantity sold from year to year. As it happens, the bad crop of the year has not done us material injury, because the reserve of opium was very high and is still sufficient. The improvement under Opium in the current year must be considered as merely temporary. In a series of years we shall no doubt get average crops, and the present selling price of opium is much below the average price of the year about to close.

7. In addition to the improvement under Opium, there has been, during the current year, a very satisfactory increase of revenue under what is known as the other Principal Heads of Revenue, which include Land Revenue, Salt, Excise, Stamps, Provincial Rates, Customs, Assessed Taxes, Forests, Registration, and Tributes from Native States. This increase is partly Imperial, partly Provincial, partly Local.

The

The large improvement in Revenue which is shown under the Principal Heads of Civil Revenue (excluding Opium) is of a permanent nature, or in other words we can safely reckon on obtaining the same increase in future years. If there is any falling-off under some heads, it will be balanced by increase under other heads. This improvement amounts to Rx. 766,500 on Imperial account, and is mainly due to an increase of Rx. 298,400 under Land Revenue, of Rx. 149,600 under Salt, of Rx. 79,100 under Excise, of Rx. 31,500 under Stamps, of Rx. 69,600 under Customs, and of Rx. 112,700 under Forests.

The improvement under Opium and the growth of Revenue under the other Principal Heads account in all for an improvement of Rx. 1,761,700 in 1889-90, of which more than 40 per cent. is a permanent increase of the public revenue, the rest being temporary.

8. On Special Defences, there has been a reduction of expenditure amounting to Rx. 344,500, which merely represents postponement of charges which will be incurred hereafter, and under interest not charged against Railways and Canals there has been a net improvement of Rx. 230,900. The improvement in the net interest charge is due to the high rate of interest obtained by the Secretary of State on that portion of his cash balance which he was able to invest, to the saving from the issue of a loan of two crores very nearly at par last year as compared with the estimated charge for the issue of a loan of two and a-half crores at a discount, to the rise in Exchange, and to other causes.

There has also been a net improvement of Rx. 118,600 under Army, notwithstanding the expenditure on the Chin-Lushai Expedition, and of Rx. 73,900 in the Railway Account. Under all other heads there is a net improvement of Rx. 97,300. The total net improvement of the year is Rx. 2,626,900.

9. The explanation of the large surplus in 1889-90 may then be briefly stated as follows: in the current year Opium has given a net improvement of Rx. 995,200; other Principal Heads of Revenue have given an improvement of Rx. 766,500; Special Defences show a reduction of expenditure amounting to Rx. 344,500; Interest gives an improvement of Rx. 230,900. All other heads give a further net improvement of Rx. 289,800. The total net improvement of the year is Rx. 2,626,900; and, adding the Budget surplus of Rx. 106,300, the surplus with which the year is expected to close is estimated at Rx. 2,733,200. Of this net improvement of Rx. 2,626,900, about Rx. 200,000 has been caused by the rise in Exchange, which has favourably affected Revenue and Expenditure under various heads. As the Accounts almost invariably show a better result than the Revised Estimate, I have little doubt that this surplus will be found to have been exceeded when the accounts of the year are finally closed.

10. We are now in a position to explain in a few words why the surplus of 1890-91 is so small as compared with that of 1889-90. In the first place, we lose the temporary increase from Opium to which I have just referred; the loss on this account is actually Rx. 992,400; in the next place, we receive in 1889-90 a special contribution from Local Governments of Rx. 490,000; there is no such contribution in 1890-91; in the third place the Budget Estimate of net Military Expenditure in 1890 91 shows an increase over the Revised Estimate of no less than Rx. 611,000. On these three accounts—Opium, Contribution from Local Governments, and Military Expenditure—the financial position of 1890-91 is worse than that of 1889-90 by no less than Rx. 2,093,400. Adding to this a net falling-off under Interest of Rx. 113,400, and an increase of expenditure amounting to Rx. 133,900 under Special Defences, we get a falling-off of Rx. 2,340,700. The surplus of 1889-90 being Rx. 2,733,200, this deterioration of Rx. 2,340,700 would of itself be sufficient to cause the large surplus of 1889-90 to be replaced by a surplus of Rx. 392,500. It so happens that under all other heads there is a net deterioration of Rx. 87,600, which reduces the surplus to Rx. 304,900.

11. Although the net deterioration under the heads to which I have just referred is only Rx. 87,600, there are considerable fluctuations under particular heads. Thus the increase of revenue under Principal Heads, excluding Opium, is no less than Rx. 171,500, of which nearly Rx. 100,000 is due to the raising of

the duty on imported spirit and the imposition of a duty on beer brewed in India. There is also a moderate increase of net revenue from Railways and Irrigation, while there is an increase in expenditure of Rx. 85,000 on account of the coming Census, and a reduction in Miscellaneous Receipts of Rx. 53,500.

12. The increased expenditure on the Army in 1890-91 is due to the purchase of magazine rifles and ammunition for them, to the cost of 21 more batteries of 12-pr. breech-loading guns, to the purchase of machinery for making ammunition for the guns in India, and to the provision of Rx. 200,000 for the Chin-Lushai Expedition, and of Rx. 60,000 to complete the arrangements for prompt mobilisation of the 1st Army Corps. The total cost on the accounts I have stated is no less than Rx. 1,361,300.

13. Summing up the whole case, and putting aside all matters of minor importance, it may be said that in 1889-90 we have a large surplus, owing to a temporary improvement under Opium, to a general growth of revenue which will be maintained and will affect future years, to short expenditure on Special Defences, and in connection with the Army, to reduction in the Interest charge, to improvement in the Railway Revenue Account, and to a rise in the rate of Exchange. In 1890-91 we have only a moderate surplus, because we lose the temporary improvement under Opium, because we no longer receive the special contribution of Rx. 490,000 from Local Governments, because there are special demands in connection with the equipment of the Army, and because there is an increase in the net Interest charge, as well as an increase in the expenditure on Special Defences.

SECTION III.—PROPOSALS IN CONNECTION WITH THE GRANT FOR FAMINE RELIEF AND INSURANCE.

14. It will be seen from what I have just said that the estimates for next year would have shown a very considerable surplus, but for the heavy and special demands that have fallen on them in connection with the Army. These special demands come to no less than Rx. 1,361,300, exclusive of a provision of Rx. 892,300 on account of Special Defences. It is reasonably certain that there will be special demands of a somewhat similar nature in 1891-92, but it is not probable that they will be so heavy as in the coming year. Nor are the finances of 1891-92 exposed to any special dangers, so far as can now be seen, other than those vicissitudes which must always attend Indian finance. On the other hand, we may look forward during 1880-91 to the normal growth of revenue. There are, therefore, strong grounds for holding that in 1891-92 we shall at least find ourselves in a position of comparative ease, with a surplus in hand, moderate in amount, but sufficient to allow of some improvement in financial conditions.

15. In view of this comparatively favourable prospect, the Government of India has decided to anticipate the future to some extent, and to take immediate steps for the partial restoration of the Famine Grant. This can be done by measures which I shall now explain; but in the first place I propose to refer briefly to the nature of the Famine Grant and its history.

The policy of strengthening the finances in connection with Famine was originally adopted in order to protect the country against the financial effects of Famine. It was calculated that Famine would cost, either directly in expenditure intended to relieve distress, or indirectly through loss of revenue, no less than Rx. 15,000,000 every ten years; and it was therefore decided that in ordinary years the Government should take measures for providing a surplus of Rx. 1,500,000. This surplus would be used either to reduce debt directly by buying up and cancelling public obligations, or to indirectly reduce debt by diminishing borrowing.

16. It has been sometimes assumed that the object of this policy was the provision of funds for the actual relief in time of famine of persons who were in distress, and it was argued that, when the money so provided was no longer available, the people could not be relieved in case of famine, and must perish. This was not the case. Whether a surplus exists or not, the Government recognises its obligations in case of famine, and the actual amount of cash in the treasury is regulated from time to time by considerations which are quite independent

independent of the absorption or maintenance of the Famine Grant. The objects which the Famine Grant is intended to secure are purely financial. So long as it is maintained, we have in ordinary years a surplus of Rx. 1,500,000; and this surplus of Rx. 1,500,000 in ordinary years will, it may reasonably be hoped, balance the deficits which must occur from time to time in a country of which the financial conditions are so uncertain. The policy of maintaining a surplus in ordinary years was devised with special reference to the injurious effect on the finances which is produced by famine, but in practice it is an insurance against temporary financial disaster of any kind, because to strengthen the finances by creating a surplus has precisely the same effect, whatever may be the object of those who take measures to strengthen them. In any case the finances are strengthened and are able to better meet any special demands on them.

17. The misapprehension as to the nature and effects of the Famine Grant seems to have arisen, to some extent, from the manner in which the policy was carried out in years subsequent to its first adoption. The Famine surplus was intended, in the first instance, to operate in the direction of reducing debt. At a subsequent period it was decided to use one-half of it for the construction of Railways and Canals which would protect the country from famine. I think this was, under the circumstances of the case, a wise and prudent measure, but it was a slight departure from the objects of the original policy. These were, as I have said, purely financial. In so far as the Protective Canals and Railways, constructed from the Famine Grant, returned a fair profit, or lessened the cost of relieving famine, in so far the original purpose of strengthening the finances was maintained. In so far as they failed to return this profit, the original purpose was departed from. On the other hand, it was an important consideration that the construction of these Railways and Canals might have the effect of mitigating famine to the extent of preserving human life, which would otherwise have been lost.

18. The Government of India was willing in past years to go further in the direction of using the Famine Grant for the construction of Protective Works than was actually done, and would have appropriated it to meet any loss that might arise on Protective Railways constructed by means of borrowed money. In 1886 the Secretary of State did actually agree that the interest charge on the Indian Midland and the Bengal-Nagpur Railways should be a charge against the Famine Grant. These Railways were held to be of importance for the protection of the country against famine, and it was only on the understanding I have stated that their construction was sanctioned. The decision of the Secretary of State is contained in a Despatch which is published as an Appendix to this Statement. This matter has somewhat fallen out of sight in recent years, because, shortly after the decision of the Secretary of State was given, the financial difficulties of the Government became so great that the Famine Grant was practically abolished for the time, and there was no special reason for calling attention to the fact that a portion of it went to meet the loss on the Indian Midland and Bengal-Nagpur Railways.

19. The Government of India and the Secretary of State have, however, always attached importance to the maintenance of the Grant for Famine Relief and Insurance. If the Indian finances show bare equilibrium in normal years, the deficits of bad years can only be met by borrowing; such borrowing must in time lead to a large growth of debt incurred for non-productive purposes. The provision of what is really a yearly surplus of Rx. 1,500,000 is the most effective means of preventing the growth of debt of this character.

20. The manner in which it is proposed to partially restore the Famine Grant at once will now be explained.

We receive this year a special contribution of Rx. 490,000 from Local Governments. This transaction is carried out by debiting the amount to the balances of Local Governments and crediting it to the Government of India. It is practically the same thing to all parties, whether the transaction is carried out this month or next month. The credit is therefore postponed till next month, and the effect on the finances is to diminish our surplus of this year by Rx. 490,000, and to increase that of next year by an equal amount.

After this change is made, there will be a surplus of Rx. 2,243,200 in 1889-90, and of Rx. 794,900 in 1890-91. In both these years a certain amount of expenditure is already shown under the Grant for Famine Relief and Insurance, partly on account of the construction of Protective Canals and partly for relief of distress. Of the surplus of 1889-90, a sum of Rx. 433,500 will be utilised to raise the total Famine Grant to Rx. 600,000; of the surplus of 1890-91 a sum of Rx. 524,500 will be utilised to raise the Famine Grant of that year to a like amount. The surplus of the Revised Estimate will then stand at Rx. 1,809,700, and the surplus of the Budget Estimate of 1890-91 will be Rx. 270,400.

The amount provided to meet the net charge on account of the Indian Midland Railway and the Bengal-Nagpur Railway is Rx. 458,100 in 1889-90, and Rx. 432,800 in 1890-91.

The final result, then, of the policy which the Government of India has decided to adopt is, that in the current year we have provided, in all, Rx. 1,058,100 (Rx. 600,000 *plus* Rx. 458,100) on account of the Famine Grant, that in the coming year we have provided Rx. 1,032,800 (Rx. 600,000 *plus* Rx. 432,800) on the same account, and that we have, nevertheless, a surplus of Rx. 1,809,700 in 1889-90, and of Rx. 270,400 in 1890-91; these surpluses are available for the reduction of borrowing, and will, in practice, be used for that purpose.

The sums provided under the Grant for Famine Relief and Insurance, *plus* the sums that go to meet the net charge on the Indian Midland and Bengal-Nagpur Railways, together with the surpluses of the current and coming years, amount to Rx. 4,171,000 in the aggregate, so that, practically, the Famine Grant has been more than restored for the years 1889-90 and 1890-91, as we have in the two years a sum of Rx. 4,171,000 available for the purposes for which the policy of the yearly grant of Rx. 1,500,000 for Famine Relief and Insurance was adopted.

Section IV.—PRACTICAL RESULTS of the POLICY NOW ADOPTED.

21. The general effect on our borrowing of the surpluses of 1889-90 and 1890-91, which amount to Rx. 2,080,100, and of the sums now set aside for Reduction of Debt, amounting to Rx. 958,000, making Rx. 3,038,100 in all, is shown by the following facts:—

The Government of India has arranged to spend in 1890-91 the sum of Rx. 3,750,000 on the construction of Railways and Canals, not chargeable against Revenue.

Under ordinary circumstances we must have borrowed largely in the open market on this account. As our balances now stand, we expect to be able to find this sum of Rx. 3,750,000 in addition to Rx. 907,000, on account of loans to be made by Government for local purposes, without raising a loan this year. This result is mainly due to the existence of the sum of Rx. 3,038,100, to which I have just referred, which enables us to avoid borrowing a like amount, and in this way effects a permanent saving of about Rx. 120,000 yearly in interest. To this extent the finances of the country have been strengthened.

22. A further advantage of the improvement that has occurred in the financial position is that it is unnecessary at the present time to revise the financial relations between the Imperial Government and the Provincial Governments. The present contracts can be left to run their course, and the relations between the Local and Imperial Governments can be settled in 1892, and included in the contracts that will then be made.

Section V.—FINANCIAL PROSPECTS in the FUTURE.

23. In the Statement of last year I made the following remarks on the financial position of the Government of India: "My deliberate conclusion is, that, while there is every need for economy and for husbanding our revenue, there is no ground for despondent or pessimist views. Unless some unforeseen disaster occurs, there is every reason to hope that the lapse of two or three years

years will show a decided improvement in the financial position of the Government of India. It is true that the surplus which we have been able to show in the Estimates is only Rx. 106,300, but the Estimates have been framed with great moderation, and, if the Indian revenues continue to exhibit their usual elasticity, and no unforeseen disaster occurs, I anticipate that the Financial Statement of 1890-91 will show decided improvement." These remarks were not universally accepted; those who had previously taken a pessimist view of Indian finance were not prepared to admit that there were signs of improvement. The progress made in the current year, however, confirms the soundness of the opinion I expressed in March last. Only twelve months have elapsed since I ventured to make that prophecy, and the signs of improvement are unmistakeable.

In 1889-90 and 1890-91 we have partially restored the grant for Famine Relief and Insurance; we have a large surplus in 1889-90, and a moderate surplus in 1890-91, after making provision for altogether special demands for the equipment of the Army. Although the coming year is unlikely to prove so prosperous from a financial point of view as 1889-90, I look forward, in the absence of unforeseen disaster, to still further improvement in 1891-92.

24. But my remarks regarding the signs of improvement in the finances had another effect, which I did not anticipate at the time. It was assumed in some quarters that I was of opinion that the financial position was in all respects thoroughly satisfactory, and that the Government of India might at once with safety enter upon schemes which their promoters held would have the best effects on the country, but which certainly involved very heavy expenditure at the outset. Nothing was further from my intention than to convey any such impression, or to give the slightest encouragement to those who wish to mortgage the future of our finances for the sake of entering upon hazardous speculations.

I said last year that there were signs of improvement. I say now that my forecast has been borne out by the facts of the year about to close, and that there are good grounds for expecting further improvement in the coming year; but I fully recognise that we have difficulties of no slight magnitude still to meet, that the finances are exposed to many dangers, and that unforeseen disaster might for a time upset our calculations. There is every need for caution and for economy, and I should greatly regret if anything I now say, or have said in the past, conveyed the impression that the Government of India is in a position to embark on a policy of adventure of any description.

PART II.

IMPERIAL, PROVINCIAL, AND LOCAL FINANCE.

SECTION I.—ACCOUNTS OF 1888-89.

In the Revised Estimates of 1888-89, prepared in March last, the Revenue of that year was taken at Rx. 81,585,500, and the Expenditure, including outlay on Special Defence Works, at Rx. 81,787,200, the net result being an anticipated deficit of Rx. 201,700.

As the accounts were compiled, it was seen that the year would close with a small surplus, and this fact was brought to notice in the Financial Statement presented to Parliament by the Under Secretary of State for India.

2. The actual figures of the Accounts for 1888-89, as now finally closed, are: Revenue, Rx. 81,696,678, and Expenditure, Rx. 81,659,660, showing a surplus of Rx. 37,018. The following statement compares the Actuals for 1888-89 with the Revised Estimate, and complete details will be found in the

Appropriation Audit Report published in the "Gazette of India" of 8th March 1890.

	1888–89.		Accounts, Better.	Accounts, Worse.
	Revised Estimate.	Accounts.		
Revenue.				
India (Imperial, Provincial, and Local) - - - - - Rx.	81,106,100	81,212,210	106,110	—
England - - - - - £.	327,200	330,631	3,431	—
Exchange - - - - - Rx.	152,200	153,837	1,637	—
Total - - - Rx.	81,585,500	81,696,678	111,178	—
Expenditure.				
India—				
Imperial - - - - Rx.	37,651,100	37,556,716	94,384	—
Provincial and Local - - Rx.	21,897,300	21,863,169	34,131	—
Adjustment of Provincial and Local surplus - - - Rx.	+203,100	+285,118	—	82,018
England - - - - - £.	15,041,500	14,983,221	58,279	—
Exchange - - - - Rx.	6,994,200	6,971,436	22,764	—
Total - - - Rx.	81,787,200	81,659,660	127,540	—
Deficit - - - Rx.	201,700	—	238,718	—
Surplus - - - Rx.	—	37,018		

It will be seen from the figures in this statement that, compared with the Estimate framed in March 1889, there was an improvement in the Total Revenue in India (Imperial, Provincial, and Local) of Rx. 106,110, and a saving in the Total Expenditure in India of Rx. 128,515. The sum of these two amounts, less the increase of Rx. 82,018 in the Provincial adjustment, or Rx. 152,607, represents the net Imperial improvement in the Indian portion of the Accounts of 1888-89, excluding Exchange; adding to this figure the net improvement in England, and also the improvement in Exchange, we get a total improvement of Rx. 238,718, which accounts for the difference between the deficit of Rx. 201,700 expected in the Revised Estimate, and the surplus of Rx. 37,018 with which the accounts of the year have closed. It may be mentioned that the increase in the Provincial adjustment means that the surplus of Provincial and Local Revenue over Provincial and Local Expenditure was more by Rx. 82,018 than was anticipated when the Revised Estimate was prepared.

3. The increases of Revenue result chiefly from improved receipts aggregating Rx. 234,700 under State Railways, Irrigation, and Army, counterbalanced by a falling-off in Land Revenue of Rx. 185,896, due to scanty harvests in some provinces and to suspensions. Of the saving of Rx. 94,384 in Imperial Expenditure, Rx. 50,528 occurred under Opium and Rx. 27,409 under Army. There was an excess of Rx. 45,440 under Guaranteed Railways, chiefly due to a change in the date of payment of surplus profits, which brought into the accounts of the year expenditure which, under the previous practice, would have fallen into the following year. The reduction in Provincial and Local Expenditure occurred principally under Land Revenue, Police, and Education, and the gain in the English Account was chiefly due to reduced expenditure under Army and Special Defence Works.

4. The

4. The difficulties which stand in the way of preparing in March an accurate Estimate of the Revenue and Expenditure of the year which is about to close have been explained more than once, but I do not think that attention has been specially called to the remarkable fact that the Actuals almost invariably show better results than the Revised Estimate.

In every year since and including 1882-83, the Accounts have shown an improvement over the Revised Estimates. For 1882-83 the improvement was Rx. 646,800; for 1883-84 it was Rx. 1,116,100; for 1884-85 it was Rx. 566,500; for 1885-86 it was Rx. 89,100; for 1886-87 it was Rx. 177,900; for 1887-88 it was Rx. 987,900; for 1888-89, as I have just explained, it was Rx. 238,700.

The explanation is simple. The latest figures of receipts and disbursements under the different heads can always be obtained from the Treasuries. Under certain heads the Treasury receipts and issues correspond closely with the Revenue and Expenditure, and, if we know the Receipts and Issues to the end of February, or even of January, and the head be one under which transactions occur with regularity throughout the year, we have no difficulty in calculating with great precision the probable Revenue and Expenditure of the remaining portion of the year.

But in other cases transactions do not proceed with the same regularity throughout the year, and the receipts and issues of the Treasuries afford a very imperfect guide. Such heads are Land Revenue, Public Works of all kinds, and the expenditure under the head of Army. For Public Works and Army the receipts and issues at the Treasuries are only an imperfect guide to the Revenue and Expenditure.

In the case of the important heads I have just mentioned, as well as of others, we have to depend on the judgment of local officers, and, on the whole, the forecasts of these officers are marked by caution. No officer, apparently, will estimate for more revenue than he feels sure he will obtain, and every officer puts down the very maximum of expenditure which he may possibly incur. The inevitable result is that in nine cases out of ten the total Revenue of the year exceeds, and the total Expenditure of the year falls short of, the amounts that have been entered in the Revised Estimate.

5. There was also a saving in expenditure not charged against Revenue. The Capital Expenditure on Railways was Rx. 1,178,111 and on Productive Irrigation Works Rx. 459,890, against Rx. 1,364,800 and Rx. 493,000 provided in the Revised Estimate, the saving being Rx. 186,689 and Rx. 33,110 respectively. The former was chiefly due to reduced expenditure in England on stores for Railways. These reductions do not, of course, affect the surplus of the year 1888-89, which, as stated before, was Rx. 37,018, after including in the expenditure the sum of Rx. 789,595 spent on Special Defence Works.

SECTION II.—REVISED ESTIMATES OF 1889-90 AND BUDGET ESTIMATES OF 1890-91.

6. The Budget Estimate of Revenue for the current year was Rx. 82,935,300, and of Expenditure Rx. 83,469,800. Of the latter, Rx. 640,800 was chargeable to accumulated Provincial and Local balances, and not against the revenue of the year. The expenditure chargeable against revenue was therefore Rx. 82,829,000, and the resulting surplus was estimated at Rx. 106,300.

The surplus is now expected to be Rx. 1,809,700, and the following table shows how much of it is due to increase of Revenue and how much to decrease of Expenditure:—

——	Budget Estimate.	Revised Estimate.	Revised Estimate +Better —Worse than Budget.
	Rx.	Rx.	Rx.
Revenue - - - -	82,935,300	84,636,300	+1,701,000
Expenditure - - - -	83,469,800	82,474,100	+ 995,700
Provincial Deficit - - -	—640,800	+352,500	—993,300

7. The improvement of Rx. 1,701,000 in Revenue occurs mainly under Land Revenue, Opium, Salt, Stamps, Excise, Provincial Rates, Customs, Assessed Taxes, Forest, Interest, Miscellaneous, State Railways, and Irrigation, while there is a considerable falling-off in receipts from Exchange, and a heavy one under Guaranteed Railways, owing to the great and sudden diminution of traffic on the Great Indian Peninsula Line. The contribution of Rx. 490,000 from Provincial to Imperial revenues, for which credit was taken in the Budget Estimate of 1889-90, has also been transferred, for reasons explained in Part I., to the Estimates of 1890-91. It will be understood that this transaction has no effect on the total revenue of the year; what is lost by the Imperial Government being gained by the Local Governments. The main increases and decreases in Revenue are as follows:—

Better than Estimate.	——	Worse than Estimate.	——
	Rx.		Rx.
Land Revenue	425,600	Exchange	73,900
Opium	286,400	Guaranteed Railways	460,000
Salt	162,600		
Stamps	101,000		
Excise	110,100		
Provincial Rates	87,800		
Customs	68,900		
Assessed Taxes	51,800		
Forests	176,800		
Interest	133,500		
Miscellaneous	98,400		
State Railways	256,800		
Irrigation	96,000		

8. The decrease in expenditure is mainly due to the rise in the rate of Exchange, and to less expenditure under Opium production and manufacture, Interest, Police, Education, Working Expenses of State Railways, Surplus profits of Guaranteed Railways, and Defence works. The chief increases of expenditure occur under Marine, Famine Relief and Insurance, Miscellaneous, Railway Expenditure, and Irrigation. The meaning of the large excess under Famine Relief and Insurance is that the improvement in the financial position has enabled the Government to take measures for gradually restoring the Famine Insurance Grant, which has been in abeyance since 1885-86.

The Budget Estimate of net expenditure in England was 14,956,100 *l.*, and the Exchange on it, Rx. 6,954,500; the Revised Estimate of that expenditure is 14,751,200 *l.*, and the Exchange on it, Rx. 6,638,000. In the Budget the rate of Exchange was taken at 1 *s.* 4·38 *d.* = 1 rupee; in the Revised it is taken at 1 *s.* 4·552 *d.* = 1 rupee (145 rupees = 10 *l.*)

The following table shows the principal variations from the Estimate of Expenditure:—

Better than Estimate.	——	Worse than Estimate.	——
	Rx.		Rx.
Opium	708,800	Marine	92,600
Interest	96,300	Famine Relief and Insurance	507,000
Police	58,800	Miscellaneous Railway Expenditure	72,700
Education	51,000	Irrigation	94,600
State Railways—Working Expenses	78,400		
Surplus Profits of Guaranteed Companies	182,100		
Defence Works	344,500		
Provincial deficit less (owing partly to postponement to 1890-91 of special contribution of Rx. 490,000 made by Local Governments)	993,300		

9. The

9. The Budget Estimate of 1890-91 is framed for Revenue Rx. 84,932,100 and Expenditure 85,419,400, of which Rx. 757,700 is chargeable against Provincial and Local balances. The expenditure chargeable to Revenue is therefore Rx. 84,661,700, and the estimated surplus is Rx. 270,400.

The following table compares the Revenue and Expenditure as estimated at an interval of a year:—

	Budget Estimate, 1889-90.	Budget Estimate, 1890-91.	Budget 1890-91 + better — worse than Budget 1889-90.
	Rx.	Rx.	Rx.
Revenue - - - - -	82,935,800	84,932,100	+ 1,996,800
Expenditure - - - -	83,469,800	85,419,400	— 1,949,600
Provincial deficit - - -	— 640,800	— 757,700	+ 116,900
Surplus - - -	+ 106,300	+ 270,400	+164,1 00

10. As explained last year, the extension of railways and the changes in their status involve considerable additions annually to both Revenue and Expenditure. In 1889-90 the gross transactions of the Oudh and Rohilkhand Railway came on both sides of the Estimates, whereas, while it was a guaranteed line, only the net earnings were shown as Revenue and the interest charged as Expenditure. In 1890-91 a re-arrangement of the same nature is necessary, as from the 31st December 1890 it is expected that the South Indian Railway will become a State line. In 1890-91 Railway Revenue is estimated higher by Rx. 464,900 than it was a year ago, and Railway Expenditure Rx. 304,800 higher. The transfer of the Provincial contribution mentioned above adds Rx. 490,000 to the Imperial Revenue of the year, though, as explained above, it does not mean that the total revenues are increased by that amount. The further improvement in Revenue occurs mainly under Land Revenue, Salt, Stamps, Excise, Provincial Rates, Customs, Forests, Interest, and Irrigation, while lower receipts than those estimated a year ago are expected under Opium, Exchange, and Guaranteed Railways. The following statement indicates generally in what respect the position has changed in the course of twelve months:—

Better than Budget Estimate of 1889-90.		Worse than Budget Estimate of 1889-90.	
	Rx.		Rx.
Land Revenue - - -	482,700	Opium - - - - -	56,700
Salt - - - - -	203,600	Exchange - - - -	83,800
Stamps - - - - -	75,400	Guaranteed Railways - -	218,000
Excise - - - - -	117,200		
Provincial Rates - - -	91,400		
Customs - - - -	142,700		
Forest - - - - -	144,800		
Interest - - - - -	55,700		
State Railways - - -	673,800		
Irrigation - - - -	145,700		

11. The very large increase in the Estimates of Expenditure is mainly the result of the following variations:—

Less than Budget Estimate of 1889–90.	Rx.	More than Budget Estimate of 1889-90.	Rx.
Opium	59,500	Land Revenue collection	84,300
Interest	62,300	Minor Departments (chiefly Census)	79,400
Guaranteed Railways, surplus Profits	81,000	Salaries and Expenses of Civil Departments other than minor Departments	226,200
Defence Works	210,600	Stationery and Printing	82,100
		Famine Relief and Insurance	499,500
		Railways (excluding surplus Profits)	385,800
		Irrigation	124,700
		Civil Works	234,900
		Army	530,400

The rate of Exchange has been taken at 1 *s.* 4·552 *d.*, as in the Revised Estimate.

The Estimates of both years are examined in detail in the remaining paragraphs of this section.

LAND REVENUE.

12. The Estimates are—

—	Budget Estimate, 1889–90.	Revised Estimate, 1889–90.	Budget Estimate, 1890–91.	Increase of Revised Estimate over Budget Estimate of 1889–90.	Increase of Budget Estimate, 1890-91, over Revised Estimate, 1889–90.
	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue (including Land Revenue due to Irrigation)	24,021,100	24,486,700	24,562,500	465,600	75,800
Expenditure	3,629,100	3,632,900	3,713,400	3,800	80,500
NET	20,392,000	20,853,800	20,849,100	461,800	—4,700

With the exception of the districts directly administered by the Government of India, in which a small decrease is anticipated, and Assam, where the original Estimate has undergone no alteration, all Provinces participate in the improvement of Rx. 465,600 in Revenue expected in the Revised Estimate of 1889-90. Of this improvement, Rx. 142,600, or nearly 31 per cent., has been contributed by Burma, in the proportion of Rx. 70,900 by Lower and Rx. 71,700 by Upper Burma. With the restoration of order, cultivation has greatly extended, and assessments and collections are being made with more regularity. It may also be mentioned that Rx. 20,000 of the increase in Upper Burma represents the first instalment of rent paid by the Ruby Mines Company for its lease. After Burma, the greatest increase is expected from the temporarily-settled zemindari provinces, namely, the Central Provinces, the North-Western Provinces and Oudh, and Punjab, which, between them, account for an improvement of Rx. 125,900, or 27 per cent. of the whole. In these Provinces the settlements are falling in, and fresh settlement operations, the effect of which is

is reflected in the gradual increase in the revenue demand, are in active progress. Of the remaining increases, Bombay furnishes Rx. 76,100, due to large sales of waste lands, the introduction of revised settlements, and a favourable season; Madras finds Rx. 69,500, and Bengal Rx. 55,000, most of which represents the recovery of arrears.

13. The Estimate of Revenue for next year provides for a further increase of Rx. 75,800, towards which Upper Burma contributes Rx. 54,000 and Lower Burma Rx. 50,000. In Bengal there is a decrease of Rx. 37,100, and in Bombay of Rx. 37,200, the explanation of which is that there have been special and non-recurring receipts in the current year, as explained above.

It should be mentioned that it is possible that the failure of the winter rains in Upper India, and the scanty north-east monsoon in Madras, may to some extent interfere with the realisation of these estimates.

14. The increase of the Revenue demand in one year from Rx. 24,021,100 to Rx. 24,562,500 or by Rx. 541,400 is remarkable, as hitherto the growth of this branch of revenue has been slow, and has scarcely responded to the large outlay incurred by Government on canals and railways. The relation of the settlements now in progress in the three temporarily-settled Provinces of Northern India to the improvement in the revenue will be seen from the following statement, which contrasts the revenue demand of 1890-91, as measured by the Budget Estimate of that year, with the revenue demand of four years ago, ascertained from the average receipts of the three years 1884-85 to 1886-87 :—

—	Demand of 1886.	Demand of 1890-91.	Increase of 1890-91.
	Rx.	Rx.	Rx.
Central Provinces - - -	612,700	665,300	+52,600
Punjab - - - - -	2,148,500	2,286,900	+138,400
North-Western Provinces and Oudh - - - - -	5,812,200	5,935,000	+122,800

The figure Rx. 122,800 does not represent the full measure of increase in the North-Western Provinces and Oudh, for in two of the years (1884-85 and 1886-87) from which the demand of 1886 is calculated, the receipts were unusually high. The figures, however, sufficiently illustrate the effect, now beginning to be felt, of the revision of the settlements.

15. The total of the Revised Estimate of Expenditure agrees very closely with that of the original Estimate, the difference between them being only Rx. 3,800; but the following important variations are noticeable in the details. An increase of Rx. 12,900 is provided for in Upper Burma to meet additional expenditure on surveys of (what used to be) Royal lands, and of Rx. 36,300 in Madras owing to the introduction of a revised scale of allowances to Subordinate Revenue Officers; while a decrease of Rx. 17,800 is expected in Bombay. For 1890-91 the estimate is framed for an increase of Rx. 80,500, which is distributed among all Provinces except the North-Western Provinces and Oudh, where the expenditure is expected to be less by Rx. 6,300. The principal increases occur in the Central Provinces, Upper and Lower Burma, Bengal, and Punjab, and, except in Bengal, where the excess arises from revision of establishments, are due generally to the extension of survey and settlement operations.

Opium.

16. The following are the figures :—

	Budget Estimate, 1889-90.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.
	Rx.	Rx.	Rx.
Revenue - - - - -	8,260,000	8,546,400	8,203,300
Expenditur - - - - -	2,364,300	1,655,500	2,304,800
Net - -	5,895,700	6,890,900	5,898,500

The net receipt in the current year is expected to exceed the Estimate made a year ago by no less than Rx. 995,200. Of this sum, Rx. 286,400 represents improvement in Revenue, and Rx. 708,800 saving in Expenditure. The increase in Revenue is entirely due to the high average price obtained at the Calcutta sales The estimated average was 1,070 rupees a chest, whereas, till the sale held in February, the price was always much higher. The highest figure was reached in September, when the price realised was 1,215 rupees a chest, and the lowest in the present month, when it was 1,040 rupees. The average price of the year was 1,136 rupees.

These violent fluctuations indicate how difficult it is to make any satisfactory estimate, and it may be noted that, so long as the number of chests sold is maintained at the present figure, a difference of 100 rupees a chest in the price of Bengal opium represents a difference of Rx. 570,000 in revenue.

The revenue from the pass duty on Malwa opium was estimated at Rx. 1,953,000 on 30,000 chests. The general course of the weighments has coincided with our expectations, but owing to a slackness recently observed the estimate of revenue has been reduced to Rx. 1,850,000.

The expenditure charged under Opium is—except to a very inconsiderable extent—incurred in Bengal. The estimate is based on the forecasts of produce of the standing crop rendered by the Opium Agents in January and February, and it amounted to Rx. 2,358,800 for an expected production of 58,800 chests. Almost immediately after the publication of the Financial Statement, it was reported that, in consequence of unfavourable weather, the produce would be far short of the Estimate. The actual production has been 38,305 chests, and the saving in expenditure will be Rx. 708,800.

In view of the low prices that prevail at present and the prospect of better crops in Malwa and China, it has been decided to adopt 1,060 rupees as the estimate of the average price for Bengal opium next year.

Owing to the favourable crop expected in the current season in Central India, the estimate for receipts from pass duty on Malwa Opium has been placed higher than the sum taken for the Revised Estimate, namely, at Rx. 1,950,000 as against Rx. 1,850,000.

Turning to the Expenditure, the Opium Agents give, as their latest estimate of production, opium sufficient to make about 55,000 chests. The estimated expenditure has been taken at Rx. 2,300,000.

Before last year's manufacture, the reserve on 31st December 1890 was estimated at the inconveniently large figure of 51,505 chests. The short crop of last year has largely reduced the reserve. Assuming the forecast of the current year's crop to be fulfilled, the reserve will stand as follows :—

	Chests.
On 31st December 1890 - - - - -	31,010
„ „ 1891 - - - - -	29,010

Salt.

17. The Estimates are—

—	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
Revenue - - - -	8,029,900	8,192,500	8,233,500
Expenditure - - - -	462,000	420,900	453,000

The consumption of salt up to the latest date (28th February) for which returns have been received, is compared below (in thousands of maunds) with the consumption in the same period of the previous three years: –

—	1886-87.	1887-88.	1888-89.	1889-90.
Bengal and Orissa - -	8,963	8,824	8,596	8,241
Madras - - -	6,073	6,051	6,074	6,217
Bombay - - - -	6,635	6,789	6,124	6,800
Sind - - - - -	205	211	211	221
Northern India - - -	6,227	6,204	6,117	6,631
Total - - -	28,103	28,079	27,122	28,110
Burma - - -	1,249	1,841	253	1,060

18. The figures in the following statement give the consumption in thousands of maunds (excluding Burma), for the four years previous to the present one, for the period 1st April to 28th February, and 1st to 31st March, and also for the whole year, of salt on which duty at the full rate, Rs. 2-8 a maund, was paid :—

—	India (Burma Excluded).		
	From 1st April to 28th February.	From 1st to 31st March.	Whole Year.
1885-86 - - - - -	27,100	2,689	29,789
1886-87 - - - - -	28,103	2,973	31,076
1887-88 - - - - -	28,079	2,360	30,439
1888-89 - - - - -	27,122	2,703	29,825
1889-90 - - - - -	28,110	2,900	Estimate 31,010

The yearly totals differ materially from those shown in paragraph 78 of the Financial Statement of 1889-90, which dealt with consumption only, and did not therefore distinguish between salt paying varying rates of duty. The salt produced at the Kohat mines across the Indus is taxed at 8 annas only on each 102 lbs., which is equal to 6·4 annas a maund of 82⅔ lbs.; and the incidence of the British share of the duty on the salt produced in the Mandi State and imported under treaty into British territory, is 5 annas a maund. The aggregate consumption of both these descriptions was about 775,000 maunds

in 1888–89. Clearly, for the purpose of testing the estimate of revenue by the progress of consumption, this lightly-taxed salt must be separated from the salt which bears the full duty. The Estimate for 1889–90, as shown above, should be increased by 800,000 maunds, as representing the consumption of the Kohat and Mandi salt, for the purpose of ascertaining the consumption of the whole of India.

In Burma an import of about 1,150,000 maunds is indicated by the latest figures. The estimate of consumption in Burma of locally-produced salt is placed, by the most competent authorities, at about 560,000 maunds.

19. It was explained in the Financial Statements for 1888–89 and 1889–90 that the increase in the duty in January 1888 was followed by a general falling-off in the revenue. But it is not clear that there was a decrease in salt actually consumed proportional to the reduction in the quantity of salt cleared for consumption. It is certain that to some extent the dealers in salt deferred making new purchases, on which the higher rate of duty had to be paid, until they had exhausted the stocks on which the lower duty had been paid, and had secured the profit to be obtained by selling them at a price which was increased in full proportion to the increase in the duty.

20. The following figures from Burma, where the duty was raised from 3 annas to 1 rupee a maund from the 19th January 1888, are, for imported salt only:—

—	To 28th February.	From 1st to 31st March.	TOTAL.
1884-85 - - - - -	1,594	93	1,687
1885–86 - - - - -	954	169	1,123
1886-87 - - - - -	1,249	325	1,574
1887-88 - - - - -	1,841	90	1,931
1888-89 - - - - -	253	61	314
1889-90 - - - - -	1,060	90	Estimate 1,150

The decline following on the rise in the duty is remarkable, but the explanation is simple. Very large importations had been made towards the end of the previous year, some knowledge or suspicion of the intention of Government to raise the duty having probably been circulated, and the stocks were therefore abnormally large. Local manufacture also received a stimulus from the increase of the import duty; for the duty on locally-manufactured salt is light, and is levied by means of a half-yearly fee, and until July last year, when this fee was doubled, the local manufacturer had a substantial advantage over the importer of salt. These two circumstances combined to reduce the apparent consumption of imported salt in Burma to a very low level. A revival in the demand for imported salt, which was doubtless due to the approaching exhaustion of the imported stocks, set in about the commencement of the current financial year. The competition of locally-produced salt was also regulated by the doubling of the fee. The question of the measures to be taken for equalising the incidence of the duty on locally-made and imported salt is one of importance. The question is surrounded by difficulties, as the manufacture of salt in Burma is carried on at places and under conditions which practically render any effective check on production impossible. A specially qualified officer of the Northern India Salt Department was deputed last year to investigate the matter on the spot, and his report is now under consideration.

21. In Northern India also there was a pause in consumption in the year following the increase of duty, but the reduction was so slight that it was probably caused by the action of holders of stocks. In the present year there has been a substantial increase, the consumption of both Sambhar salt and the rock salt of the Punjab mines having been large.

In

In Madras, in 1888-89, prices rose to a high level, the rise being ascribed, at least in part, to a combination of manufacturers. Partial resumption of manufacture by the State was begun, and prices have since fallen, while consumption shows a satisfactory increase.

22. The only province in which consumption has not fully recovered is Bengal, and there the imposition of the increased duty has not been the only cause of the falling-off, which is largely attributable to the increase in price resulting from the action of the English Salt Syndicate and the higher level of freights. The average maximum prices in Calcutta of Liverpool salt (exclusive of duty) have been as follows, per 100 maunds, since January 1888:—

	1888.	1889.	1890.
	Rs.	Rs.	Rs.
January	88·2	97·8	102
February	149·	96·25	97
March	154·25	94·25	
April	138·75	94·	
May	137·4	90·	
June	133·5	92·2	
July	94·63	94·25	
August	94·	94·4	
September	74·25	99·75	
October	83·	111·83	
November	91·25	105·75	
December	96·75	105·6	

Before January 1888 the average highest price varied between 61 and 72 rupees; prices rose after the increase of the duty to a high point, falling again to almost their normal level; but the formation of the Salt Syndicate raised them towards the end of the year, and they have remained high ever since. The increase in price (exclusive of duty) may be taken to be from four to five annas a maund.

The falling-off in the imports into Bengal does not, however, imply an equivalent falling-off in consumption Both Sambhar salt and rock salt from the Punjab mines have found a market in a wider zone in Bengal, since the increased price of Liverpool salt has enabled them to compete with it lower down the railway line. The competition would have been more active and effective but for the action of the East Indian and Oudh and Rohilkhand Railway lines in raising the rate of freight. The question of these higher rates of freight is under consideration.

23. The Revised Estimate provides for a consumption in India (excluding Burma) of—

	Maunds.
Fully taxed Salt	31,010,000
Lightly taxed Salt (about)	800,000
TOTAL	31,810,000

This is the figure with which those of paragraph 78 of last year's Financial Statement are comparable. The figures are continued up to 1890-91, below—

	Consumption of Salt, in Maunds.
1882–83	28,720,000
1883-84	29,338,000
1884–85	31,348,000
1885–86	30,606,000
1886-87	32,200,000
1887–88	31,186,000
1888-89	30,600,000
1889–90 Estimate	31,810,000
1890-91 „	31,930,000

 The

The Revised Estimate also takes into account a consumption in Burma of—

	Maunds.
Imported Salt - - - - - - - - -	1,150,000
Locally-made Salt - - - - - - - -	560,000
TOTAL - - -	1,710,000

The Budget Estimate of Revenue is Rx. 8,233,500, or Rx. 41,000 in excess of the Revised, and provides for an increased consumption of about 200,000 maunds in India and Burma.

The estimates of expenditure for both years are on a higher scale than previously, principally in Burma, Bengal, and Madras. In Burma, the imposition of fees, at higher rates, on locally made salt, involves a proportionate increase in the commission payable on collections. In Bengal, provision has been made for payments on account of new scales of an improved type. In Madras, the opening of new salt works, on account of Government, will involve increased expenditure.

STAMPS.

24. The Estimates are—

	Budget Estimate, 1889–90.	Revised Estimate, 1889–90.	Budget Estimate, 1890–91.
	Rx.	Rx.	Rx.
Revenue - - - - - - -	3,959,500	4,060,500	4,034,900
Expenditure - - - - - -	134,300	134,700	143,100
Net - - -	3,825,200	3,925,800	3,891,800

The Revenue promises to be better than the Estimate by Rx. 101,000, the improvement being contributed by Burma (Upper and Lower), Assam, the North-Western Provinces and Oudh, Madras, and Bombay. The increases in the North-Western Provinces and Oudh and Madras are considerable, namely, Rx. 25,000 and Rx. 35,000, and the slight falling away in the Estimated Revenue of 1890–91 is due to the fact that it is not thought desirable to reckon on these increases being maintained.

The variations in the expenditure are unimportant, and are mainly due to the charges in England. A larger quantity of Stamps is to be supplied in 1890-91, and this accounts for the increased charge.

The question has been a good deal discussed in recent years, whether the revenue derived from the sale of court-fee stamps did or did not greatly exceed the cost of the administration of civil justice. An inquiry was undertaken in 1886 with the view of ascertaining and putting beyond question what the true facts are. The result of this inquiry was published in a resolution in the "Gazette of India" of the 11th January last, in which it was shown that including all India there was a yearly loss of Rx. 125,100, and that instead of surpluses there were deficits in every province except (1) Bengal, and (2) Madras, where the receipts and charges were practically equal.

Excise.

25. The Estimates are –

	Budget Estimate, 1889–90.	Revised Estimate, 1889–90.	Budget Estimate, 1890–91.
	Rx.	Rx.	Rx.
Revenue - - - - - - -	4,727,300	4,837,400	4,844,500
Expenditure - - - - - -	154,200	154,200	172,600
Net - - -	4,573,100	4,683,200	4,671,900

In the current year the improvement in Revenue is Rx. 110,100, and the Revenue is better than the Estimate in all provinces except Bengal, where the decrease is Rx. 30,000, and in Upper Burma, where it is Rx. 13,400. The large increases occur in Madras, Rx. 60,000, and Lower Burma, Rx. 31,400.

The Excise question has been discussed at great length in the collection of papers published in the "Gazette of India" of 1st March, and nothing more need be said on the subject in this place. It was to be expected that the changes in system which are being made in Bengal would be attended at first with some loss of revenue, though the falling-off is also largely due to bad seasons. The falling-off in Upper Burma is due to the fact that the estimate first made was a mere conjecture. The revenue officers had no facts to guide them, and they framed their estimates too high.

The rapid advance in the Madras Revenue is worthy of notice. It is due to better management, to an efficient preventive service, to the gradual and systematic enhancement of the rate of taxation, which has now in some districts reached the tariff rate, and to the extension of the Bombay system of taxing the trees from which toddy for consumption or manufacture into spirit is drawn. In Lower Burma the increase is due to raising the duty on spirits locally manufactured.

The estimate of Revenue for 1890-91 varies only slightly from the Revised Estimate. A decrease is expected in Bombay owing to a partial modification of the method hitherto followed in fixing the "minimum guarantee," and a further increase is expected in Madras and Lower Burma.

The Expenditure is increasing mainly in Bengal and Madras. In Bengal the re-establishment of central distilleries under proper supervision, with a considerable strengthening of the Excise establishments, accounts for the growth of expenditure. In Madras, as the tree-tax system extends, the preventive establishment necessarily expands also.

Provincial Rates.

26. The Estimates are—

	Budget Estimate, 1889–90.	Revised Estimate. 1889–90.	Budget Estimate, 1890–91.	Revised Estimate, Better + than Budget Estimate of 1889–90.	Budget Estimate, 1890–91, Better + than Revised Estimate of 1889–90.
	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - - - -	3,258,000	3,345,800	3,349,400	+87,800	+ 3,600
Expenditure - - - -	60,500	54,900	43,500	+ 5,600	+11,400
Net - - -	3,197,500	3,290,900	3,305,900	+93,400	+ 15,000

The rates and cesses credited under this head are assessed at varying percentages on Land Revenue; and, as a large increase in Land Revenue is estimated for in both years, the Estimates of the rates necessarily respond. This is the general explanation of the increase, but the following special items deserve notice. In Madras an increase of Rx. 52,400 is expected, the bulk of which is due to the fact that the original Estimate, which was prepared on a consideration of the actual receipts of past years, was too low. In the North-Western Provinces and Oudh, the Patwari cess promises to produce Rx. 6,300 more than the Estimate.

The variations in the Estimates of Expenditure are comparatively trifling, and the only point which requires notice is, that in the Punjab, the discontinuance, with effect from 1st October 1889, of the payment of fees to patwaris for the collection of the rates and cesses, causes a reduction of Rx. 7,500 in the Revised Estimate, and of a further sum of Rx. 9,300 in the Budget Estimate for 1890-91. It must also be borne in mind that the Expenditure recorded under this head represents only the cost of collection of the cesses.

CUSTOMS.

27. The Estimates are—

	Budget, 1889–90.	Revised, 1889–90.	Budget, 1890–91.
	Rx.	Rx.	Rx.
Revenue	1,418,400	1,487,300	1,561,100
Expenditure	138,300	134,500	138,600
Refunds	49,400	48,700	44,000

The Revised Estimate provides for an improvement of Rx. 68,900 over the Budget, most of which is contributed by Burma. In Bengal the estimate will not be realised.

28. For the ten months ending 31st January the receipts from import duty and their distribution among the dutiable articles have been:—

	1886–87.	1887–88.	1888–89.	1889–90.
	Rx.	Rx.	Rx.	Rx.
Arms, &c.	18,500	18,200	20,200	19,500
Malt Liquor	8,600	10,400	12,700	13,900
Spirit	350,900	375,800	405,500	403,100
Wines, &c.	38,500	42,500	41,100	40,200
Petroleum	- -	- -	97,100	131,200
TOTAL	416,500	446,900	576,600	607,900

In the export revenue there has been a considerable increase in the ten months of the present year. The figures are:—

	Rx.
1886-87	411,000
1887-88	453,000
1888-89	363,000
1889-90	458,000

This increase is due to the unusually large export of rice from Burma, the export

export of rice from Bengal having declined materially in consequence of high prices following on unsatisfactory crops.

29. In the Estimate for 1890-91 the continuance of the favourable conditions of the current year is not fully reckoned on, though a recovery is looked for in Bengal. The increase estimated for is wholly due to the additional revenue which will be yielded by the enhanced tax on imported spirits. At 5 rupees a gallon, the average net receipts from the duty on spirits are about Rx. 480,000. We therefore estimate the additional revenue, due to the increase of the duty by 1 rupee, at about Rx. 92,500. The reasons which have influenced the Government in deciding to raise the duty have been explained in introducing the Bill to amend the Tariff Act, and in this place it will suffice to give a very brief recapitulation of them.

The reasons are:—

(1). On general grounds, it is desirable to increase, within reasonable limits, the cost to the consumer of intoxicating liquors, by increasing the duty on them.

(2). It is an accepted principle of Excise administration in India to endeavour to gradually raise the duty on spirits made in India to the Tariff Rate, which practically sets a limit to the increase. It has been found possible in some places to increase the duty to the Tariff Rate, so that the occasion for a further increase of that rate has arrived.

(3). It is hoped that the increase may check the increasing import of cheap deleterious foreign spirit.

(4). The increased duty will make a substantial addition to the public revenue.

The Estimates of expenditure and refunds are fairly constant and call for no remarks.

Assessed Taxes.

30. The Estimates are—

—	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
Revenue - - - - -	1,515,300	1,567,100	1,558,700
Expenditure - - - -	28,800	28,000	31,200

The Revised Estimate provides for an increase in Revenue of Rx. 51,800, to which all Provinces contribute except the districts directly administered by the Government of India. The chief increases are, Rx. 11,300 in the Punjab, due to revision of assessments, and Rx. 10,000 in Madras, to realisation of arrears.

The variations of the receipts from year to year are necessarily small, and the Budget for 1890-91 virtually repeats the Revised Estimate for 1889-90.

The variations in the Estimate of Expenditure are trifling, the increase occurring in Bengal, and representing provision for a separate assessing establishment.

The net collections amounted to Rx. 1,477,514 in 1888-89, or more by

Rx. 94,706 than the collections of the previous year. The following table shows how this increase is distributed:—

	Income Tax Collections, 1886-87.	Income Tax Collections, 1887-88.	Income Tax Collections, 1888-89.	Percentage of Total Collections, 1888-89.	Increase (+) or Decrease (—) in 1888-89, compared with 1887-88.
	Rx.	Rx.	Rx.		Rx.
India	122,406	133,874	139,787	9·4	+5,913
Central Provinces	39,836	40,348	42,464	2·9	+2,116
Burma	16	29	50,036	3·4	+50,007
Assam	19,905	22,661	22,232	1·5	—429
Bengal	333,626	364,122	381,648	25·8	+17,526
North-Western Provinces and Oudh	213,639	213,963	218,150	14·8	+4,187
Punjab	105,652	106,639	113,271	7·7	+6,632
Madras	138,674	162,658	164,877	11·1	+2,219
Bombay	303,756	338,514	345,049	23·4	+6,535
TOTAL	1,277,510	1,382,808	1,477,514	100	+94,706

More than half of the total increase occurred in Burma, to portions of which the tax was extended from 1st April 1888. Leaving that Province out of account, the collections in India show an increase of Rx. 44,699, or 3·23 per cent., of which rather more than a third occurred in Calcutta.

FORESTS.

31. The following statement shows the present state of the Forest Revenue:—

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
Revenue	1,269,600	1,446,400	1,414,400
Expenditure	801,300	815,700	847,900
Surplus	+468,300	+630,700	+566,500

The increase of gross Revenue indicated in the Revised Estimate is Rx. 176,800, of which the greater part is due to an exceptionally favourable season for floating down timber, and to rising prices, in Upper and Lower Burma, the improvement having produced Rx. 45,100 in Upper, and Rx. 91,500 in Lower Burma. Bombay shows an advance of Rx. 17,100, due to increased operations, and the North-Western Provinces, the Punjab, and Bengal, between them contribute an additional revenue of about Rx. 19,300, due to sale of railway sleepers in the first Province, supply of fuel for railways in the second, and improved sales of timber in the third.

The increased expenditure involved by these more active operations is expected to be only Rx. 14,400. The surplus for the current year is expected to be Rx. 73,700 better than that of 1888-89, which was about Rx. 157,000 higher than that of any previous year.

The Budget Estimate of Revenue is Rx. 32,000 less than the sum expected in the current year. There is a general increase in all Provinces except Burma, where the falling-off means that the continuance of the exceptionally favourable conditions of the current year cannot be reckoned on. The proportion of expenditure to income has fallen from 59 per cent. in 1888–89 to 56 per cent. in the current year.

Interest on Debt.

32. The Estimates are—

	Budget Estimate, 1889-90.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.
	Rx.	Rx.	Rx.
Receipts - - - - - - -	734,200	867,700	789,900
Expenditure - - - - - -	4,358,600	4,262,300	4,296,300
Net - - -	3,624,400	3,394,600	3,506,400

The explanation of the expected increase in the receipts in the current year is that the Secretary of State has had control of a high cash balance, and has been able to invest a large portion of it temporarily at a high rate of interest. The explanation of the reduction in the expenditure is (1) that the Budget provided for a loan in India of 2½ crores at a discount, whereas a loan of only 2 crores was raised at about par; (2) that no temporary loans were required in England; (3) that a loan of only 3,500,000 *l.* was raised in sterling, in place of one of 3,750,000 *l.* anticipated at the time the Budget was framed; (4) because the charges transferred from this head to the Railway Revenue Account for interest on advances to Companies were larger than anticipated, on account of advances being made at earlier dates; and (5) because the rate of Exchange on the sterling payments is better than the Estimate.

33. The following figures show in thousands of £ the amount of the sterling debt of the Government of India at the end of each year from 1881-82, the amount of interest paid during the year, and the distribution of the total amounts between ordinary debt and that held on account of railways :—

	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.	1889-90. Revised.	1890-91. Budget.
Sterling Debt—										
Ordinary Account - -	58,620	59,094	56,910	56,758	60,207	65,714	65,626	66,184	65,881	65,881
Railway Account - -	9,522	9,492	11,199	12,513	13,600	18,514	18,514	28,850	32,350	38,745
TOTAL - - -	68,142	68,586	68,109	69,271	73,807	84,228	84,140	95,034	98,231	104,626
Interest—										
Ordinary Account - -	2,512	2,481	2,442	2,610	2,429	2,597	3,365	2,662	2,402	2,482
Railway Account - -	353	348	312	353	366	566	552	632	914	988
TOTAL - - -	2,865	2,829	2,754	2,963	2,795	3,163	3,917	3,294	3,316	3,470
Interest Receipts—										
Ordinary Account - -	56	24	30	35	9	41	66	135	134	62

It will be seen from these figures that in nine years the debt on ordinary account has increased by 7,261,000 *l.*, while the railway debt has increased by 29,223,000 *l.* The addition to the ordinary debt really represents the cost of railway construction, the Public Works loans in 1885-86 and 1886-87 having been raised in England; but, as the transfer from ordinary to railway account is always made in the Indian portion (that is, the rupee portion) of the accounts, whether the debt is created in England or India, the amounts raised in England have been added to the ordinary sterling debt, while a corresponding reduction has been made in the ordinary rupee debt. The conversion of 53,261,820 *l.* 4 per cent. into 3½ per cent. stock resulted in a net saving of 266,310 *l.* a year.

Of the total increase in the railway portion of the sterling debt, a sum of 3,500,000 *l.* has been raised in the current year under the Oude and Rohilkund Railway Purchase Act for making advances to Railway Companies; and

it is proposed to raise a similar loan of 1,700,000 *l.* next year. The practice is obviously economical, as the Secretary of State can borrow at less than 3 per cent., while the companies have to pay higher rates for their debentures. The rest of the increase in the nine years represents the purchase money paid for the Oude and Rohilkund and South Indian Railways, and the redemption of liabilities incurred by the acquisition of the Scinde Punjab and Delhi, the Eastern Bengal, and the East Indian Railways. It will thus be seen that the greater portion of the increase to the debt is only nominal, having been incurred to extinguish existing liabilities which were shown in the Railway Revenue Account under other heads than Interest on Debt. The charges on account of interest have correspondingly increased, but there has been a much larger reduction under other heads, notably under interest payable to Guaranteed Companies.

34. The following are the details of the debt in India :—

Thousands of Rx.

	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.	1889-90, Revised.	1890-91, Budget.
Permanent Debt—									
Ordinary Account - -	35,770	35,993	21,633	14,459	8,234	10,693	11,457	9,869	6,083
Railway Account - -	54,919	57,198	71,551	78,245	84,420	87,397	89,422	92,890	96,640
Special Loans - - -	1,953	1,809	1,799	1,782	1,782	1,781	1,781	1,780	1,780
Service Funds, &c. - -	951	1,000	1,056	1,082	1,137	1,179	1,227	1,275	1,326
Savings Banks - - -	3,744	4,017	4,722	5,116	5,836	6,721	7,664	7,631	7,890
TOTAL - - -	97,337	100,017	100,761	100,684	101,409	107,771	111,551	113,445	113,719

A large portion of the public debt has been incurred for the purpose of advancing funds on easy terms to municipalities and other public bodies, and to native states. Rx. 6,250,000 of it also represents the investment of the currency reserve. The following figures show the net charge in India on account of interest on ordinary account, as well as the interest on the capital expenditure on Railways and Irrigation Works :—

Thousands of Rx.

	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.		1890-91.
								Budget.	Revised.	
Charged to Interest on Debt - - - -	1,719	1,517	1,371	1,137	737	662	811	803	779	697
Recovered - - - -	670	820	668	687	614	653	643	690	673	700
Net Charge - - -	1,049	697	703	450	123	9	168	113	106	—3
Interest on Railways -	1,621	1,785	1,959	2,182	2,423	2,558	2,692	2,779	2,770	2,891
Interest on Irrigation Works - - - -	816	895	932	965	993	1,018	1,041	1,065	1,061	1,083
TOTAL - - -	2,437	2,680	2,891	3,147	3,416	3,576	3,733	3,844	3,831	3,974

The net charge on ordinary account in 1887-88 was unusually low, partly because about Rx. 90,000 of the charges remained unpaid at the end of the year and were paid in the following years, and partly because about Rx. 40,000 were received during the year on account of arrears of interest on the Kidderpore Dock loan. The singular and interesting fact which this statement reveals, is that there is now an actual net receipt on account of the ordinary rupee debt. In other words, the interest on the investments held on account of Government, and on the advances made to public bodies and others by Government, exceeds the interest payable on that portion of the rupee debt which is not actually represented by railways and irrigation works.

Post Office, Telegraph, and Mint.

35. The net result of the working of these three *quasi*-Commercial Departments will be apparent from the following figures:—

— —	1888–89.	1889-90.		1890–91, Budget.
		Budget.	Revised.	
Post Office—	Rx.	Rx.	Rx.	Rx.
Revenue - - - - -	1,281,540	1,348,000	1,304,300	1,386,200
Expenditure - - - - -	1,342,452	1,402,800	1,366,100	1,419,900
Net - - -	— 60,912	— 54,800	— 61,800	— 33,700
Telegraph Capital Account—				
Receipts - - - - -	1,191	—	—	—
Expenditure - - - - -	158,858	180,100	157,000	222,300
Net - - -	— 157,667	— 180,100	— 157,000	— 222,300
Telegraph Revenue Account—				
Revenue - - - - - -	740,957	752,100	768,300	793,200
Expenditure - - - - -	545,234	582,300	562,900	578,200
Net - - -	195,723	169,800	205,400	215,000
Mint—				
Revenue - - - - - -	221,138	228,600	267,100	244,000
Expenditure - - - - -	99,967	103,100	119,100	108,200
Net - - -	121,171	125,500	148,000	135,800

These figures do not profess to give a complete account of the profit and loss of the Departments, but merely show the difference between the revenue and expenditure as recorded in the accounts and estimates. As regards the Post Office, the somewhat unfavourable result of the current year is mainly due to a change in the system of accounting. Hitherto it has been the practice to credit as revenue, (1) the cost of postage stamps sold by treasuries to postmasters, whether disposed of to the public within the year or not, and (2) all postage due on articles remaining undelivered at the end of the year, by debit to advances. In future only the sum received for stamps actually sold to the public and postage actually realised will be credited as revenue of the year. The effect of this change has been to reduce the revenue of the current year by about Rx. 41,000.

The Revenue Account of the Telegraph Department indicates a gradual expansion of traffic and a slowly increasing surplus. The increase in the capital expenditure is due to the contemplated construction of new lines, most of which are necessitated by the extension of railway communications.

The imports and coinage of silver during the three closing months of the current year will be very heavy. This large coinage, and the higher gain on the copper coinage resulting from the reduced price of copper, account for the improvement shown under Mint.

Civil Departments.

36. The Estimates of the several heads which fall into this group are compared below :—

	Budget Estimate, 1889-90.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.	Revised Estimate, 1889-90, Better + Worse — than Budget Estimate of 1889-90.	Budget Estimate 1890-91, Better + Worse — than Revised Estimate of 1889-90.
	Rx.	Rx.	Rx.	Rx.	Rx.
Receipts - - - -	1,464,200	1,518,700	1,521,500	+ 54,500	+ 2,800
Salaries and Expenses -	13,291,200	13,282,500	13,596,800	+ 8,700	— 314,700
Net Expenditure -	11,827,000	11,763,800	12,075,300	+ 63,200	— 311,500

The improvement in Revenue does not call for special notice, as, with few exceptions, it results from a number of minor variations.

The Revised Estimate of Expenditure approximates closely in the aggregate to the original Estimate for 1889 90, but the following variations call for a few words of explanation :—

	Expenditure less.	Expenditure more.
	Rx.	Rx.
18. General Administration - -	25,800	—
20. Police - - - - - -	58,800	—
21. Marine - - - - - -	—	92,600
22. Education - - - - - -	51,000	—
25. Political - - - - -	—	37,000
Total - - -	+ 135,600	— 129,600

Of the improvement under Administration, Rx. 16,600 is the result chiefly of economies effected in the offices of the Government of India, and Rx. 13,400 occurs in England and Exchange. The smaller expenditure under Police is almost entirely due to savings in the district executive force and special police charges in Burma, rendered possible by the restoration of order and decrease of crime in that Province. The considerable increase in Marine expenditure is due to provision having been made for the purchase of a steamer for the Andamans and a steam launch for the port officer, Calcutta, to the payment of the balance of the purchase money of a steamer to replace the "Undaunted," and to a large supply of stores from England. The improvement under Education is distributed in small amounts over all Provinces, and the increase under Political is chiefly due to the payment of arrears of subsidy to the Amir of Afghanistan.

37. The increase of expenditure provided for in the Budget Estimate for 1890-91 is expected under all heads except Marine, where the absence of provision for the special items of expenditure referred to above results in a reduction of Rx. 55,400 from the amount provided in the Revised Estimate. The following are the principal items of increase: Courts of Law, Rx. 51,300, owing chiefly to provision having been made for additional judicial establishments in Burma and in Bengal; Jails, Rx. 35,300; Police, Rx. 63,000, of which 29,300 is provided in Lower Burma principally on account of additional police to be entertained in place of men under training, and the balance in the Punjab, Madras, and Bombay, as the result of revision of establishments, contemplated or in progress;

gress; Education, Rx. 92,400, in consequence generally of an increase in the number of Government Schools and in the grants-in-aid to private Educational Institutions in all Provinces; and Scientific and other Minor Departments, Rx. 64,100, resulting almost entirely from the provision for the forthcoming Census.

Miscellaneous.

38. The Estimates are as follows:—

	1888-89, Accounts.	1889-90. Budget.	1889-90. Revised.	1890-91, Budget.	Increase (+) or Decrease (—) of Revised, as compared with Budget Estimates, 1889-90.	Increase (+) or Decrease (—) of Budget, 1890-91, as compared with Revised Estimates, 1889-90.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	1,793,000	1,340,300	1,325,500	1,243,000	—14,800	—82,500
Expenditure - -	4,884,000	4,823,200	4,848,700	4,945,400	+25,500	+96,700

The variations in Revenue occur mainly in the receipts under Exchange, which were Rx. 951,500 in 1888-89, and are estimated at Rx. 527,300 and Rx. 453,400 in the Budget and Revised Estimates of 1889-90, and Rx. 443,500 in the Budget Estimate of 1890-91. It has been explained in previous years that these receipts accrue almost entirely in connection with the capital transactions of the Subsidised Railways, the most important of which are the Southern Mahratta, Indian Midland, and Bengal-Nagpur Railways. The gradual falling-off in the receipts is due to the smaller capital expenditure on these railways, some of which have already been completed and others are approaching completion. Excluding Exchange, the revenue under this group amounted to Rx. 841,300 in 1888-89, and is estimated at Rx. 813,000 and Rx 872,100 in the Budget and Revised Estimates of 1889-90, and at Rx 799,500 in the Budget Estimate of 1890-91. The balance of the deposits of the Military Orphan Fund having been exhausted in 1888-89, the credit which used to be taken to revenue from this balance on account of the net payments made for the Fund, ceased in that year, and accounts for a falling-off of about Rx. 35,000. In the current year, however, this falling off has been more than compensated by special receipts, of which the principal are, a fine of Rx. 20,000 from a Karen chief, and a recovery of Rx. 21,900 from the Bombay Port Trust on account of their non-interest-bearing debt, which represents the value of land purchased and buildings constructed from revenue, and taken over by the Trust.

The increase in expenditure is chiefly attributable to increasing superannuation allowances, and to increased demands for stationery and printing, following on the growth of public business, and the multiplication of public offices.

Famine Relief and Insurance.

39. The Estimates are:—

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx
Famine Relief - - - - -	20,500	100,000	10,500
Construction of Protective Irrigation Works.	80,000	74,000	65,000
Reduction of Debt - - - -	- - -	433,500	524,500
Total - - -	100,500	607,500	600,000

In the Budget Estimate for the current year Rx. 20,000 were provided for the relief of the scarcity in Behar. When the Estimates were prepared, it was not thought that the scarcity in Ganjam would be of a nature to require expenditure on direct relief. It is well known that in both districts the scarcity turned out to be more serious than was at first anticipated. Rx. 50,000 were spent on direct relief operations in Behar, and the same sum in Madras. An outlay of Rx. 32,500 was also incurred on the Rushikuliya Canal, and helped to alleviate the distress in Ganjam. Most of the rest of the outlay on the irrigation works charged to this head represents the cost of construction of the Nira Canal in Bombay. Next year's grants provide for further progress on the two works mentioned above, and a precautionary provision of Rx. 10,000 is made for direct relief in Bengal.

It has been explained elsewhere that the great improvement in the financial outlook has enabled the Government to take steps for the gradual restoration of the Famine Insurance Grant, and no detailed explanation is therefore required of the entries against Reduction of Debt.

Railway Finance.

40. The extent to which the Indian Budget is influenced by the condition of railway traffic and construction will be apparent from the following figures:—

	Revenue.				Expenditure.		
	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.		Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.		Rx.	Rx.	Rx.
	16,686,200	16,503,000	17,151,100	India - - -	10,503,400	10,273,000	10,727,900
	200	200	200	England - - -	5,603,900	5,609,600	5,717,200
	100	100	100				
Loss on the Railway Account - -	2,626,600	1,903,600	1,866,500	Exchange - -	2,605,800	2,524,300	2,572,800
Total - - -	18,713,100	18,406,900	19,017,900	Total - - -	18,713,100	18,406,090	19,017,900

Of the various items of revenue which enter in to the Estimates, Land Revenue alone furnishes a larger contribution to the Treasury than the gross railway revenue; and the expenditure on the working of railways, and in paying the interest on the money spent in constructing them, is second only to that incurred on the Army.

41. For the current year, the Revised Estimate compares with the Budget as follows:—

Receipts.

	Budget.	Revised.	Better + Worse —.
	Rx.	Rx.	Rx.
State Railways (gross Traffic Receipts)	13,103,500	13,360,300	+ 256,800
Guaranteed Railways (net Traffic Receipts).	3,560,000	3,100,000	— 460,000
Subsidised Companies (Repayment of advances of interest).	23,000	43,000	+ 20,000
Total - - -	16,686,500	16,503,300	— 183,200

EXPENDITURE.

	Budget.	Revised.	Better + Worse —.
	Rx.	Rx.	Rx.
State Railways	14,454,000	14,310,700	+143,300
Guaranteed Railways (Surplus Profits, Land and Supervision, and Interest)	4,089,100	3,866,900	+222,200
Subsidized Companies	87,500	74,100	+13,400
Miscellaneous Railway Expenditure	82,500	155,200	—72,700
NET			+306,200

The receipts are therefore expected to be Rx. 183,200 worse, and the expenditure Rx. 306,200 better, than the estimate, the whole of the deterioration in Receipts and most of the improvement in Expenditure appearing against "Guaranteed Railways." Low earnings of course mean that low surplus profits have to be paid; in other words, that a part of the loss of Revenue comes back to us in the shape of reduction of Expenditure.

42. *State Railways, Traffic Receipts, and Working Expenses.*—The most marked variations from the receipts as originally estimated occur on the following lines:—

	Rx.	
North Western Railway	265,000	better.
Eastern Bengal	75,000	
Rajputana-Malwa	60,000	
Oudh and Rohilkhand	45,000	
Tounghoo-Mandalay	42,500	
Tirhoot	40,000	
Indian Midland	180,000	worse.
Bengal-Nagpur	52,500	
Southern Mahratta	25,000	

and the working expenses are heavier on the—

	Rx.
North Western Railway, by	50,000
Rajputana-Malwa	47,500
Tounghoo-Mandalay	23,500
Burma	22,500
Bengal-Nagpur	21,000

but fall short of the Estimate on the—

Indian Midland, by	132,500
East Indian	75,000
Sindia	14,600

The large increase in the receipts on the North Western Railway is due to a very favourable grain traffic. The Rajputana-Malwa line has carried more grain and cotton, and the Eastern Bengal Railway an exceptional quantity of jute. The failure to realise the estimates in the case of the three State lines leased to Companies is due partly to the conjectural nature of the estimates, as there were no data available for framing them; and partly to various sections of the lines not having been opened to traffic as early as anticipated.

Heavy traffic leads to increased working expenses, and this is the explanation generally of the increased expenditure. The original estimate for the East Indian Railway provided for a larger renewal of locomotives than was made; and the saving on the Sindia line is due to the fact that the provision made for the settlement of a long-outstanding claim preferred by the Bombay

Baroda and Central India Railway was not utilised, as the claim is yet under consideration.

43. *Guaranteed Railways.*—As already explained, the failure of the estimate of receipts and also most of the saving in expenditure have occurred in connection with the guaranteed lines. The falling-off occurs almost entirely on the Great Indian Peninsula Railway, the gross receipts being now estimated at Rx. 510,000 below the Budget figure. This is due mainly to a decrease in the wheat traffic, resulting from (1) poor crops in the localities served by the Railway, (2) a reduced demand for export owing to favourable crops in Europe and America, and (3) unusually large exports from the Punjab. There was also a falling off in the linseed traffic, and in the carriage of materials for Railway construction, owing to the completion of the Indian Midland line.

The Madras Railway has, without any sensible increase in its expenditure, improved its receipts by Rx. 70,000 over the Estimate.

44. *Miscellaneous Railway Expenditure.*—The increase from Rx. 82,500 to Rx. 155,200 is principally due to the cost of material for a few miles of an experimental railway (the Abt) with a rack rail, and also to a large outlay on surveys, among which may be mentioned the Bikanir Desert Survey, the East Coast Survey, the Hyderabad-Umarkot Survey, Surveys in the Shan Hills, and on the Chindwin, and also on the North-West Frontier.

Capital Expenditure.

45. *Construction of State Railways (not charged against Revenue).*—The Budget Estimate provided for an outlay of Rx. 3,562,000. The present estimate is for Rx. 3,066,200, or a reduction of Rx. 495,800. The greater portion of the reduction occurs in the sterling expenditure in England, which is now expected to be less than the estimate by 236,500 *l.* No progress has been made on the Peshawar-Jamrud or Barakar lines or on the Kistna Bridge, for which Rx. 200,000 were provided in the Estimates. The year's record of construction is as follows:—

The Assam-Behar Railway, the Tounghoo-Mandalay Railway, the Sind-Sagar Railway, and the Chenab Bridge, have been practically completed; considerable progress has been made with the Villapuram-Dharmaveram line, and with the Chaman Tunnel and extension. The Mu Valley line has been commenced, and the Jammu-Kashmir line is in progress.

Budget Estimate, 1890-91.

46. The Budget Estimate for 1890-91 compares with the Revised Estimate of the current year as follows:—

Receipts.

	Revised, 1889-90.	Budget, 1890-91.	Better + Worse —.
	Rx.	Rx.	Rx.
State Railways (gross Traffic Receipts)	13,360,300	13,777,300	+417,000
Guaranteed Railways (net Traffic Receipts)	3,100,000	3,342,000	+242,000
Subsidized Companies (Repayment of advances of interest)	43,000	32,100	—10,900
Total	16,503,300	17,151,400	+648,100

EXPENDITURE.

	Revised, 1889-90.	Budget, 1890-91.	Better+ Worse—.
	Rx.	Rx.	Rx.
State Railways - - - - -	14,310,700	14,841,900	—531,200
Guaranteed Railways (Surplus Profits, Land and Supervision, and Interest).	3,866,900	4,012,700	—145,800
Subsidized Companies - - -	74,100	52,000	+ 22,100
Miscellaneous Railway Expenditure -	155,200	111,300	+ 43,900
TOTAL - - - Rx.	18,406,900	19,017,900	—611,000

An increase of Rx. 648,100 in receipts and of Rx. 611,000 in expenditure is, therefore, estimated for, the net improvement being Rx. 37,100.

47. *State Railways, Traffic Receipts, and Working Expenses.*—The chief improvements in receipts are expected on the following lines :—

	Rx.
South Indian (owingto change of status) - - - -	132,500
Midland - - - - - - - - - -	130,000
Bengal-Nagpur - - - - - - - - -	102,500
Southern Mahratta - - - - - - - -	70,000
Oudh and Rohilkhand - - - - - - -	35,000
Burma - - - - - - - - - -	30,000
Tounghoo-Mandalay - - - - - - -	22,500
East Indian - - - - - - - - -	10,000
Villapuram-Guntakal (Nellore Branch) - - - -	7,100

and the only material falling-off on the

North Western - - - - - - - - -	165,000

The improvement in the Midland and Bengal-Nagpur lines is anticipated for the reason that the former will be completely open for traffic throughout the year, and the latter for a portion of it. The estimates are, however, to some extent conjectural, and it is well to bear in mind that the results of the current year have not accorded with the anticipations on which the estimates were framed a year ago. The completion of the Southern Mahratta system explains the expected increase of Rx. 70,000 on that line. The traffic on the Oudh and Rohilkhand line is developing in a satisfactory manner, and both the Burma lines have done remarkably well and promise to continue to do so. The following figures for the Upper Burma line have some interest :—

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
Receipts - - - -	115,000	157,500	180,000
Working Expenses - -	100,000	123,500	130,000
Net - - -	15,000	34,000	50,000

The improvement on the Villapuram-Guntakal (Nellore Branch) line is not altogether real, as, owing to the change of status of the South Indian Railway, through which agency this line is at present worked, the receipts will be adjusted monthly instead of half-yearly, thus throwing the transactions of 15 months into the accounts of 1890-91. A falling-off on the North Western

line of Rx. 165,000 is expected; in the current year the grain traffic has been unusually heavy, and with the failure of the winter rains in the Punjab its continuance on the same scale cannot be looked for.

In Working Expenses the increase is estimated at Rx. 300,300, and may be stated generally to be proportionate to the increased traffic expected.

The addition to the Interest charge is Rx. 230,900. This, of course, represents the interest on the additional outlay on construction and on the additional capital deposited by the assisted companies during the year.

48. *Guaranteed Railways.*—In consequence of its change of status on 31st December 1890, the net earnings of the South Indian line for nine months only come into the Estimates. On the Madras and Bombay Baroda and Central India lines slight increases aggregating Rx. 20,000 are expected. The increase of Rx. 242,000 is due to the more favourable view taken of the prospects of the Great Indian Peninsula line. The partial collapse of the traffic, and the special reasons for it, have already been alluded to. A recovery set in in November, and, as it is understood that the wheat crop in the Central Provinces is a fair one, there is reason to hope that the improvement may be maintained. The Estimate provides for gross earnings at Rx. 4,000,000, and working expenses at Rx. 1,960,000, giving net earnings of Rx. 2,040,000, and a net increase of Rx 260,000. The following figures show that with ordinary conditions this is not a sanguine estimate:—

Net earnings (actual)—

		Rx.
	1886-87	2,114,300
	1887-88	2,142,400
	1888-89	2,209,100
Budget Estimate	1889-90	2,270,000
Revised Estimate		1,780,000
Budget	1890-91	2,040,000

The Surplus Profits and Interest are more by Rx. 145,800 than in the current year; the greater portion of which is the consequence of the higher estimate of earnings, and the rest of additional capital outlay on which interest has to be paid.

49. Under Miscellaneous Railway Expenditure the improvement of Rx. 43,900 is nominal, as the current year bears the exceptional charge for the Abt experimental material. The provision of Rx. 111,300 is for surveys.

Before leaving the subject of Railway Revenue and Expenditure, it is desirable to call attention to the magnitude of the transactions, and to the impossibility of framing a close estimate of the probable traffic earnings. The Budget Estimates for the current year promise to be fulfilled within an inconsiderable margin; but this is not because each estimate has proved a good one: on the contrary, the variations from expectation, on the Great Indian Peninsula line in particular, and on the Midland and Bengal-Nagpore in a less degree, indicate the perplexing nature of the task. This liability to fluctuation in the net earnings of our great railway system adds one more cause of uncertainty to those which already affect Indian finance.

Capital Expenditure.

50. The provision in 1890-91 for construction of railways not charged to Revenue is Rx. 362,000 less than the original provision of the current year, thus:—

——	India.	England.	Exchange.	Total.
	Rx.	£.	Rx.	Rx.
1889-90	1,697,100	1,273,000	591,900	3,562,000
1890-91	1,960,200	855,000	384,800	3,200,000

The

The works on the Chaman Extension, for which a heavy grant was made in 1889-90, are now far advanced, and require a very much smaller grant in 1890-91 to provide for their completion. The Chenab bridge is practically completed. The Sind-Pishin, Sind-Sagar, and Assam-Behar Railways, and the Mandalay Extension, on which considerable sums were expended during the past year, are now finished, and the expenditure next year will be restricted to requirements which the exigencies of traffic or safe working may prove to be necessary.

The Expenditure on the Villupuram-Guntakal Railway, under construction on behalf of the State by the South Indian Railway, will still be high, and provision to the extent of Rx. 968,600 has been made in the Estimates. It is expected that 160 miles of this line will be sufficiently far advanced to be open for traffic about January next.

During the current year the Mu Valley Railway, the Durbhunga-Bairagnia Branch of the Tirhoot State Railway, and an extension of the Sind-Sagar Railway from Mianwali to Mari, were sanctioned, and work on them is now in progress. The grants allotted to these projects in 1890-91 are Rx. 500,000, Rx. 75,400, and Rx. 195,000, respectively. The allotments to the two last-named projects provide for their completion during the coming year.

Provision to the extent of Rx. 250,000 is made for either the Panchpara-Ganjam or East Coast project now under investigation. Other important grants are, Rx. 63,600 for improving the gradients on the North Western Railway, between Jhelum and Rawalpindi, and Rx. 62,800 for completing the reserve of material which it has been decided to maintain for future possible extensions of the frontier railways.

51. The following figures show the rate at which railways have been constructed at the cost, or on the responsibility, of the Government since 1880:—

Date.	Number of Miles Open.
31st March 1880	8,382
,, 1881	9,134
,, 1882	9,437
,, 1883	9,748
,, 1884	10,188
,, 1885	10,824
,, 1886	11,173
,, 1887	12,000
,, 1888	12,915
,, 1889	13,648
,, 1890 (Revised Estimate)	14,437

Between March 1880 and March 1890 the number of miles open has increased from 8,382 to 14,437, or by more than 72 per cent.

The following Table gives the Total Capital outlay on Railway Construction up to date:—

	State Railways.	State Railways constructed through the agency of Companies.	Guaranteed Lines.	Total.	Annual Progress.
To end of—	Rx.	Rx.	Rx.	Rx.	Rx.
1879-80	28,007,395	—	96,829,969	124,837,364	—
1880-81	67,224,624	—	66,348,478	133,573,102	8,735,738
1881-82	70,569,867	—	67,021,756	137,591,623	4,018,521
1882-83	72,800,428	468,270	67,431,448	140,700,146	3,108,523
1883-84	76,653,281	704,155	68,769,369	146,126,805	5,426,659
1884-85	81,389,391	3,126,906	69,904,427	154,420,724	8,293,919
1885-86	90,863,111	4,775,059	67,883,682	163,521,852	9,101,128
1886-87	108,456,220	7,915,378	57,046,325	173,417,923	9,896,071
1887-88	110,788,941	12,979,680	57,694,898	181,463,519	8,045,596
1888-89	111,989,453	18,097,843	58,313,774	188,401,070	6,937,551
1889-90, Revised	124,329,814	20,284,543	49,499,263	194,113,620	5,712,550
1890-91, Budget	127,534,564	22,631,443	50,281,163	200,447,170	6,333,550

IRRIGATION.

52. The Irrigation revenue makes satisfactory progress. The figures are:—

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
Revenue - - - -	1,889,300	1,985,300	2,035,000
Expenditure - - -	2,614,700	2,709,300	2,739,400
Net - - -	—725,400	—724,000	—704,400

It must be recollected that these figures include the transactions classed as "minor works," as well as the revenue transactions of the productive or "major works." The broad distinction between the two classes is that the capital cost of minor works is charged against Revenue, while the cost of construction of major works is charged to Debt. The distinction is not absolute, for there are works classed as "major works" on which there has been large capital expenditure from Revenue, that is, charged against the grant for Famine Insurance. In the current year most of the improvement in revenue arises through the extension of irrigation in the Punjab, and is mainly due to the approaching completion of the distributaries of the Sirhind Canal. In 1890-91 the increase is shared between the Punjab and the North Western Provinces, the former contributing Rx. 58,700 more than the estimate of a year ago, and the latter Rx. 21,300. Extension of distributaries and an advance in popular favour are the general explanation of the increase in both cases. There is, however, a special influence in the case of the North Western Provinces. It may be recollected that in 1886 the irrigation from the Lower Ganges Canal system was stopped by the collapse of the Nadrai aqueduct. The reconstruction of the aqueduct has now been completed, and therewith a large area is again brought within reach of canal water.

53. *Construction of Irrigation Works (not charged against Revenue).*—The Estimates are—

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
	527,500	401,900	550,000

The reduction of the Estimate from Rx. 527,500 to Rx. 401,900 in the current year is due to the postponement of the construction of the Jhelum Canal. The conversion of the Chenab Inundation Canal into a perennial Canal has taken the place of the Jhelum project for the present.

In 1890-91 the outlay will be almost entirely in the Punjab (Rx. 191,200), Madras (Rx. 130,000), and the North-West Provinces and Oudh (Rx. 105,000). In the Punjab, the Chenab and Sirsa Canals will be proceeded with; the outlay in Madras represents the progress on the Perriar project, and in the North-Western Provinces it is distributed over the Ganges and Jumna Canals.

It may be mentioned that it has been arranged to apply a fixed sum of Rx. 550,000 from loan funds to construction for each of the next few years, in addition to construction charged under "minor works" and against the Famine Grant.

Buildings and Roads.

54. This head comprises both Military and Civil Works. The Estimates are:—

Receipts.

	Budget, 1889-90.	Revised. 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
Military and Civil Works - - -	603,700	649,200	589,400

Expenditure.

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
Military Works - - - - -	1,157,400	1,158,000	1,160,700
Civil Works - - - - - -	4,825,000	4,281,400	4,550,600

In the revised Estimate the expected improvement in revenue, Rx. 45,500, is almost entirely due to the sale of the Barakur iron-works to a Company. The price was Rx. 45,000, which was received and credited in the current year.

The military works expenditure is composed of a grant of Rx. 1,000,000, which has been regularly made for several years, plus Rx. 150,000 for Burma, with an addition for exchange on the small English expenditure.

55. By far the greatest portion of the civil works expenditure is provincial and local. The Imperial share is only Rx. 822,500 in the revised Estimate, and a large part of this, namely, Rx. 304,000, represents the cost of the progress made during the year in equipping Upper Burma with jails, court-houses, and roads. The expenditure classified as local, that is, incurred mainly through the agency of district and local boards, amounts to Rx. 1,493,300, and is not far short of the sum spent by provincial governments.

The provincial expenditure is largely determined by the state of the provincial balances. The increase in the total grant for civil works is considerable, but it only means that local Governments have abundant balances, and, having arranged their programmes for utilising their surplus funds, are now carrying them out. Provincial expenditure on civil works was estimated at a high figure in the Budget of the current year, but a considerably higher provision is made for next year. The figures are:—

	Budget, 1889-90.	Budget, 1890-91.	Increase.
	Rx.	Rx.	Rx.
Provincial Civil Works Outlay - -	1,970,900	2,221,900	+251,000

ARMY.

56. The Estimates are:—

Receipts.

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
India and England - - - - -	944,600	1,022,100	982,600

Expenditure.

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
India - - - - - - -	15,107,000	14,950,000	14,806,000
England - - - - - - -	4,005,300	4,126,600	4,620,100
Exchange - - - - - - -	1,862,400	1,857,000	2,079,000
TOTAL - - -	20,974,700	20,933,600	21,505,100

The increase in the revised Estimate of receipts represents increased sales of stores to civil hospitals and dispensaries and to the forces engaged in the Sikkim and Chin-Lushai Expeditions.

Notwithstanding the heavy outlay on the Chin-Lushai Expedition, the revised Estimate of expenditure in India is expected to be appreciably less than the Budget grant for the year. The main causes of this somewhat unexpected result are the following: considerable economies have been effected in the Upper Burma charges; the rate of exchange for the conversion of the pay of British troops is ½ *d.* better than that provided in the Budget; and the actual strength of the Army was less than that provided for.

In the English expenditure there is a considerable increase, but it is an increase which will give relief to the Estimates of future years. A special payment of 150,000 *l.* to the War Office has been provided for on account of arrears of what are technically described as "Home Charges on account of British troops serving in India—effective," and a provision of 70,000 *l.* on the same account has been made in the Estimates of 1890-91. These charges represent the amount payable by India on account of the raising and equipment of the British Army in India; the method of assessing them has been under discussion for many years, and is at present being considered by a Committee over which Lord Northbrook presides. It is understood that the payment of this 220,000 *l.* will extinguish, or almost extinguish, all liabilities on this account other than current ones.

57. It will be noticed that in 1890-91 there is a decrease of expenditure in India, but a very large increase in the English expenditure. The decrease in India, however, requires explanation. The Estimates of both 1889-90 and 1890-91 include provision for considerable expenditure of a special and temporary nature. The decrease expected in 1890-91 is not a decrease in the ordinary charges for the Army, but merely means that the Estimates are burthened with a smaller sum for exceptional services. Next year shows an improvement over the current one in the following respects:—

(*a.*) Better exchange for payment of British troops, *i.e.*, 1 *s.* 5 *d.* in place of 1 *s.* 4 *d.*
(*b.*) Less expenditure on commissariat requirements.
(*c.*) Reduced provision on account of troops in Sikkim.
(*d.*) Reduced expenditure in Upper Burma.
(*e.*) Reduction in mobilisation charges.

The

The aggregate improvement on these accounts is not far short of Rx. 700,000, so that for purposes of comparison the ordinary charges included in the Budget Estimate of 1889-90 may be reckoned at about Rx 14,400,000 as compared with the actual Estimate of Rx. 15,107,000 in all. The Budget of 1890-91 provides for an expenditure of Rx. 14,806,000, and the difference between that figure and Rx. 14,400,000, or Rx. 406,000, may be taken roughly as the measure of the special charges to be met in the coming year. The greater portion of this is due to a provision of Rx. 200,000 made for operations in the Chin-Lushai country, Rx. 60,000 for mobilisation, and the rest to numerous causes, of which may be mentioned (1) extra grants for Volunteer Corps, and (2) the disbandment of certain Madras Regiments, and the substitution for them of corps for local service in Burma.

58. The increase in the English charges is very great, namely, 614,800 *l.*, and practically represents the cost of re-arming the British troops throughout with the new rifle, and of supplying 21 more batteries of 12-pounder breech-loading guns. The increase in the estimated cost of ordnance stores over the actual cost in 1888-89 is no less than 745,600 *l.* [945,800—200,200]. The re-arming of the army is a reform that had to be undertaken sooner or later, and which could not safely be postponed. The increase in the Home charges is thus not permanent, but incidental and temporary, and we may hope for some reduction in liabilities in the Budget of 1891-92.

Special Defences.

59. The Estimates are :—

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
	1,102,900	758,400	892,300

In the current year the expenditure is much below the grant in both India and England. The grant for India was Rx. 545,000, and the lapse is expected to be no less than Rx. 139,000. The lapse on the English grant, due to the slower supply of heavy ordnance and stores than was reckoned on, is 137,800 *l.*, and the resulting saving in Exchange Rx. 67,700. The grant for next year is Rx 425,800 for India, the highest expenditure in India in one year hitherto having been Rx. 447,800.

Section III.—PROGRESS IN UPPER BURMA.

60. The recent financial progress of Upper Burma may appropriately be noticed.

The following statement shows the revenue and expenditure as they were estimated in the Budget Statements of 1888-89 and 1889-90, and as they are estimated in 1890-91 :—

Revenues.

	1888-89.	1889-90.	1890-91.
	Rx.	Rx.	Rx.
Civil Revenue - - - - -	547,000	755,200	901,100
State Railway Receipts - - -	- - -	115,000	180,000
Total - - -	547 000	870,200	1,081,100

EXPENDITURE.

	1888-89.	1889-90.	1890-91.
Civil Expenditure—	Rx.	Rx.	Rx.
Police	732,000	868,200	838,100
Other Departments	339,000	336,400	450,200
Railways (including interest on Capital)		192,800	226,400
Military Works	190,000	150,000	150,000
Civil Works	314,000	298,100	290,000
Irrigation	23,000	20,000	30,000
Army Special Expenditure	824,000	600,000	450,000
TOTAL	2,422,000	2,495,500	2,434,700

Thus the deficit in 1888-89 was estimated at Rx. 1,875,000, in 1889-90 at Rx. 1,625,300, and in 1890-91 it is expected to be Rx. 1,353,600. The actual results have recently turned out considerably better than the anticipations of them, and we may hope for a considerable reduction in the expected deficit of Rx. 1,353,600 by the end of the year. The increase of revenue is remarkable, and has been referred to in the remarks on Land Revenue in paragraphs 12 and 13, and in those on Railways in paragraph 47.

SECTION IV.—WAYS AND MEANS—HOME TREASURY.

61. The Secretary of State's Revised and Budget Estimates of the transactions at the Home Treasury for 1889-90 compare as follows:—

	Budget.	Revised.
Net Receipts.	£.	£.
Council Bills	14,689,900	15,400,900
Permanent Debt, for advances to companies	3,750,000	3,500,000
Capital Receipts from railway companies	515,000	1,540,900
Deposits and advances		1,800
Add Opening Balance	3,849,797	3,259,933
TOTAL £.	22,804,697	23,703,533
Net Outgoings.		
Excess of expenditure over revenue	14,956,100	14,751,200
Capital expenditure of Government in England	1,273,000	1,038,800
Permanent Debt—Discharge of 4 per cent. stock	300,000	300,000
" " 5 per cent. stock		2,600
Issues to railway companies on capital account	3,056,700	2,258,200
Deposits and advances	2,700	—
On account of remittances from India	1,069,500	848,900
Add Closing Balance	2,146,697	4,503,833
TOTAL £.	22,804,697	23,703,533

The most important variations from the Budget Estimate have occurred in Council Bills, in the amount of debt created for making advances to Railway Companies, and in the capital receipts from, and the net issues to, them for expenditure. These variations are briefly explained below.

Council Bills.

Throughout the current year the demand for remittances from England to India has been strong, and it is expected that the Secretary of State will sell bills for a considerably larger amount than that anticipated. The excess drawing gives a corresponding relief to next year, in which the drawings would otherwise have been unusually high, in consequence of the large increase in the net expenditure in England.

Debt Incurred, and Capital Receipts from, and Advances made to, Railway Companies.

It was explained in paragraph 95 of last year's Financial Statement that the Secretary of State proposed to borrow, under the powers conferred by the Oude and Rohilkund Railway Purchase Act, for the purpose of advancing funds to the "Aided" Railway Companies, and that provision had been made for a loan of 3,750,000 *l.* for this purpose. Soon after the Financial Statement was issued, it was found that the requirements of the Railway Companies had been over-estimated, and that a loan of 3,500,000 *l.* would be sufficient. It will be understood that this sum provides for Capital outlay by the Companies (Southern Mahratta, Indian Midland, Bengal-Nagpur, and Bengal Central) receiving the advances, both in England and India. Three per cent. stock for this amount was accordingly issued in May 1889 at a premium of 1 *l.* 1 *s.* 5 *d.* per cent. The large increase in the amount received from Companies is due chiefly to 600,300 *l.* raised by the Great Indian Peninsula Railway Company, and 583,200 *l.* by the Indian Midland Railway Company, which, it was expected, would be raised in 1888-89. The issues to Companies in England on Capital Account were over-estimated; the Revised Estimate of 2,258,200 *l.* on this account includes 600,000 *l.* for discharge of debentures, the balance representing purchase of stores, &c.

62. The following is the Secretary of State's Budget Estimate of Ways and Means for 1890-91:—

Net Receipts.	£.
Council Bills	14,989,000
Permanent debt for advances to companies and discharge of Oude and Rohilkund Railway debentures	2,200,000
Permanent debt for the purchase of the South Indian Railway	3,200,000
Capital Receipts from railway companies	2,732,300
Deposits and advances	2,200
Add Opening Balance	4,503,833
Total £.	27,627,333

Net Outgoings.	
Excess of expenditure over revenue	15,674,300
Capital expenditure of Government in England	857,800
Permanent Debt—Discharge of the Oude and Rohilkund railway debentures	500,000
Issues to railway companies on capital account	4,045,600
Capital charge involved in redemption of liabilities	3,200,000
On account of remittances from India	1,197,900
Add Closing Balance	2,152,433
Total £.	27,627,333

The most important feature of this Estimate is the provision for the proposed purchase of the South Indian Railway. The terms have not yet been finally settled, but it should be noted that in the case of this Company the purchase can only be effected under the contract by actual payment, and not by an annuity. Under the contract, the Secretary of State has to pay the equivalent of the mean market value of the share capital of the Company during the three years ending on the 1st March 1890, and to accept the liability for the

debentures and debenture stock issued by the Company, which now amounts to 1,495,000 *l.* But, as it is proposed that the management of the Railway, after its acquisition by the State, shall be entrusted to a Company which will provide a small portion of the capital, it will not be necessary to provide for the redemption of the whole existing share capital. It is accordingly proposed to raise only 3,200,000 *l.* on account of the purchase, although the capital of the Company amounts to 3,208,952 *l.*, the mean value of which, according to the terms of the contract, would be about 4,200,000 *l.* The entries on account of the transfer of liability of the debentures and debenture stock are omitted from both sides of the abstract account given above. They appear on both sides of the account in Statement C. of the Appendix. The Secretary of State also proposes to raise a loan of 2,200,000 *l.* for advances to Railway Companies in India and England under the Oude and Rohilkund Railway Purchase Act, and for the discharge of debentures for 500,000 *l.* of the Oude and Rohilkund Railway. Of the payments to companies on Capital Account, 1,804,300 *l.* represents discharge of debentures. He also proposes to draw 14,989,000 *l.* by Council Bills during the year. It should be understood that, in stating these as the present intentions of the Secretary of State, no sort of pledge is given that he will adhere to the programme thus explained, and that the amounts to be raised by bills or by loans may be varied from time to time as may seem expedient.

WAYS AND MEANS—INDIA.

63. The Ways and Means Estimate of India is as follows:—

	1889-90.		1890-91.
	Budget.	Revised.	Budget.
NET RECEIPTS.	Rx.	Rx.	Rx.
1. Excess of revenue in India over the expenditure charged against it	22,016,900	23,198,900	22,998,100
2. Public Loan	2,500,000	2,000,000	—
3. Increase of Unfunded Debt—mostly savings bank deposits	629,700	14,100	309,600
4. Appropriation from revenue for reduction of debt	- - -	433,500	524,500
5. *For remittance to Secretary of State*	1,112,300	891,400	1,179,400
Add Opening Balance	12,900,001	13,305,189	14,596,889
	39,158,901	39,843,089	39,608,489
NET OUTGOINGS.			
6. Expenditure charged to Provincial Balances	640,800	—352,500	757,700
7. Capital Expenditure of Government in India	2,224,600	1,961,900	2,506,100
8. Loans to Municipalities, &c.	827,700	709,900	907,000
9. Other Items	170,400	— 552,500	—177,700
10. *Issues on Capital Account to Railway Companies*	1,221,400	985,800	887,200
11. Council Bills. *Sterling Account*	14,690,900	15,509,300	14,921,900
12. Ditto - - Exchange	6,829,800	6,984,300	6,712,200
Add Closing Balance	12,553,301	14,596,889	13,094,089
	39,158,901	39,843,089	39,608,489

The headings in *italics* are connected with, and explained by, the corresponding figures of the Secretary of State's account in England. The others refer to purely Indian transactions.

64. In the Budget Estimate provision was made for a loan of Rx. 2,500,000 in India. By the 29th June, on which date the notification calling for tenders was issued, the partial failure of the opium crop was known, and the consequent saving in expenditure was assured. The Revenue receipts also indicated an improvement over the estimate. Under these circumstances it was determined to reduce the amount of the loan offered for subscription to Rx. 2,000,000. This was taken up at an average rate of Rs. 99-14-11·5 per 100 rupees, yielding Rx. 1,998,697.

In

In 1890-91 it is not proposed to raise any loan in India, notwithstanding a contemplated capital expenditure on railways and canals of Rx. 3,750,000. The large surplus expected in the current year, both on Imperial and Provincial Account, and the provision made under famine insurance for reduction of debt in both years, which appears against item No. 4 in the Statement above, will enable us, we hope, to avoid borrowing in 1890-91. This is the present intention of the Government, but full liberty is reserved to modify this intention to any extent that circumstances may require.

Savings Banks.

65. The influences which determined Government to reduce the limits of deposits in Savings Banks were mentioned in paragraph 101 of last year's Financial Statement. It was to be expected that for the first year the effect of this change would be marked, as deposits, which at the date of change were in excess of the new maximum (Rs. 2,000), had to be reduced below that sum before further sums could be received to credit of the same account. The effect of the change of rule will be evident from the following figures:—

Year.	Net Addition to Deposits in the Year (Cash).	Interest.	Total Net Addition.
	Rx.	Rx.	Rx.
1887-88	+656,300	+224,000	+880,300
1888-89	+685,200	+261,800	+947,000
1889-90 Estimates	—320,500	+281,500	—39,000
1890-91 Estimates	—34,400	+288,800	+254,400

The objections which might be taken to an alteration of rule which leads to such results are obvious. But it was impossible for the Government to continue a system under which the sum held at call had approached to an amount nearly equal to the minimum cash balance necessary for the discharge of public business, and which promised to further increase at the rate of nearly a crore a year.

Loans to Municipalities and Presidency Corporations.

66. The net figures for local loans in 1889-90 and 1890-91 are Rx. 709,900 and Rx. 907,000, of which Rx. 300,000 and Rx. 370,000 represent the balances of the advances made by Local Governments under the system described in paragraphs 114 to 118 of last year's Financial Statement. Judged from the demands made by Local Governments, the system has proved very acceptable to them.

In the current year a total sum of Rx. 420,000 will be advanced to the Port Commissioners on account of the Kidderpore Docks, and in 1890-91 a sum of Rx. 553,200. The Bombay Port Trust only asks for Rx. 20,000, and that in the current year.

The advances made to these two Corporations on account of the Docks will stand thus:—

	Calcutta.	Bombay.
	Rx.	Rx.
Up to 1888-89	1,377,600	848,600
Advanced in 1889-90 Estimates	420,000	20,000
„ 1890-91 Estimates	553,200	—
Total	2,350,800	868,600

67. Owing

67. Owing to the favourable nature of the year, the closing balance on 31st March 1890, which was estimated at Rx. 12,553,000 a year ago, is now expected to be Rx. 14,597,000, notwithstanding provision for an increase of Secretary of State's drawings of 818,400 *l.* In 1890-91 provision is made for payments of Secretary of State's Bills to the extent of 14,922,000 *l.*, and the year is expected to close with a balance of Rx. 13,094,000.

SECTION V.—SUMMARY.

68. The principal features in this Statement are :—

(*a.*) The Accounts for 1888-89 have closed with a surplus of Rx. 37,018, after including in the Expenditure Rx. 789,595 spent on Defence Works.

(*b.*) The Revised Estimates of 1889-90 show a surplus of Rx. 1,809,700, after restoring the Famine Grant to Rx. 600,000 (or Rx. 1,058,100 including the net charge on the revenues on account of the Protective Railways constructed through the Agency of Companies), and postponing the contribution of Rx. 490,000 from Provincial resources, for which credit was taken in the Budget Estimate, to 1890-91. All the main Revenue heads have contributed to this improvement. The saving in Opium expenditure, owing to a scanty crop, is Rx. 708,800. The Estimate of Exchange, which was taken in the Budget at 1 *s.* 4·38 *d.* = R.1, is placed at 1 *s.* 4·552 *d.*=R.1, and yields a saving of about Rx. 200,000. Rx. 758,400 spent on Defence Works are included in the Expenditure.

(*c.*) The Budget Estimates show a surplus of Rx. 270,400. Exchange is taken at 1 *s.* 4·552 *d.* as in the Revised Estimate. Extra taxation has been imposed on imported spirits, and Indian brewed beer has been made subject to the same tax as is levied on imported beer, the expected addition to the revenues being estimated at about Rx. 100,000. Credit has been taken for the contribution of Rx. 490,000 from Provincial Revenues, originally estimated for as a receipt of 1889-90. The Famine Relief and Insurance Grant has been maintained at Rx. 600,000. Including the net charge on the revenues on account of the Protective Railways, the grant is Rx. 1,032,800. Army Expenditure is unusually heavy, being estimated at about Rx. 1,203,300 more than the expenditure in 1888-89, chiefly owing to the contemplated re-armament to be carried out next year. The Estimate of Expenditure includes Rx. 892,300 for Defence Works. In view of the heavy charges that fall on the revenues of the year in connection with the re-armament, the result is considered satisfactory.

(*d.*) The Capital outlay on Railways and Irrigation Works is estimated at Rx. 3,468,100 in 1889-90, and at Rx. 3,750,000 in 1890-91.

(*e.*) The Secretary of State proposes to sell 14,989,000 *l.* of Council Bills; also to borrow 5,400,000 *l.* for purchase of the South Indian Railway, for making advances to Companies engaged in constructing Railways for the State, and for paying off debentures. This announcement is accompanied by the usual reserve that, though these are the present intentions of the Secretary of State, he will remain entirely at liberty to vary the amounts to be raised by bills or by loans as he may find occasion.

(*f.*) Although the Estimates provide for a Capital outlay of Rx. 3,750,000 on Railways and Canals, and for Rx. 907,000 to be advanced to Port Commissioners and Local Governments for local purposes, it is not expected that a loan will be necessary in India in 1890-91. It is mainly owing to the partial restoration of the Famine Insurance Grant, and the high cash balances resulting from the surplus of 1889-90, and the estimated surplus of 1890-91, that the Government expects to be able to find funds for the Capital outlay on Public Works without having recourse to borrowing. No pledge is, however, given that Government will not borrow in India during the year.

(*g.*) The warning against desponding and pessimist views in connection with Indian Finance given last year is justified by the course of events. Further improvement in the financial position is anticipated, but prudence and economy are needed to meet the dangers and difficulties of the future.

D. Barbour.

Calcutta, 21 March 1890.

APPENDICES.

APPENDIX I.

DESPATCH from Her Majesty's Secretary of State for India to the Government of India, No. 378, dated 17th December 1885.

IN my Despatch of the 10th instant, No. 367, I authorised your Government to charge against the Famine Insurance Grant the amount payable during the next five years as interest on capital raised by Companies for the purpose of constructing any of the lines which are mentioned by your Government as being, in your opinion, needed for the protection of the country against famine, but which you are not at present able to construct through State agency.

2. It was not my intention thereby in any way to interfere with the new form of account suggested in my Despatch of the 27th of August, No. 237, by which all charges on account of the working expenses and interest payable for railways are to be collected into one group, apart from the capital expenditure on the construction of such works.

3. I have accordingly to request that the interest mentioned in the first paragraph of this Despatch may be placed under the head of Railways (Expenditure on Revenue Account); and that under Famine Relief and Insurance a note may be appended, stating that there is a further sum (to be specified), which has been charged under the head of Railways, for interest paid to Companies formed for the construction of lines calculated to protect the country against famine.

TELEGRAM from the Government of India to Her Majesty's Secretary of State for India, dated 5th March 1890.

PLEASE refer to paragraph 3 of your Lordship's Financial Despatch, No. 378, dated 17th December 1885. We suggest that in future the net charge on the revenues, *i.e.*, interest less net earnings, on account of Protective Railways constructed through the agency of Companies, namely, the Indian Midland and the Bengal-Nagpur Railways, be shown in the note under the head "Famine Relief and Insurance," instead of interest. Please telegraph reply as quickly as possible.

TELEGRAM from Her Majesty's Secretary of State for India to the Government of India, dated 6th March 1890.

YOUR Telegram in the Finance Department, dated 5th March last, regarding note under the head Famine Relief and Insurance. I agree to your proposal.

APPENDIX II

ACCOUNTS AND ESTIMATES.

ACCOUNTS - - - - - -	1888-89.
REVISED ESTIMATES - - -	1889-90.
BUDGET ESTIMATES - - -	1890-91.

CONTENTS.

	PAGES
General Statement of the Accounts and Estimates of the Revenue and Expenditure, and Receipts and Disbursements, of the Government of India, in India and in England - - - - - - - - - - - - - - - -	50
A.—Statement of the Revenue of India, in India and in England - - - - -	52
B.—Statement of the Expenditure chargeable on the Revenues of India, in India and in England - - - - - - - - - - - - - - -	54
C.—Statement of Receipts and Disbursements other than Revenue and Expenditure of the Government of India, in India and in England - - - - - -	58
D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Contracts - -	60
E.—Statement of Net Revenue and Expenditure, England and India - - -	62

GENERAL STATEMENT of the ACCOUNTS and ESTIMATES of the GOVERNMENT OF INDIA,

	For Detail, *vide* Statement.	RECEIPTS.			
		Accounts, 1888-89.	Budget Estimate, 1889-90.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.
REVENUE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Principal Heads of Revenue:					
Land Revenue	-	23,016,404	23,391,700	23,817,300	23,874,400
Opium	-	8,562,319	8,260,000	8,546,400	8,203,300
Salt	-	7,675,634	8,029,900	8,192,500	8,233,500
Stamps	-	3,927,088	3,959,500	4,060,500	4,034,900
Excise	-	4,705,346	4,727,300	4,837,400	4,844,500
Other Heads	A.	8,333,970	8,575,400	8,970,700	9,005,300
TOTAL, PRINCIPAL HEADS	„	56,220,761	56,943,800	58,424,800	58,195,900
Interest	„	841,822	734,200	867,700	789,900
Post Office, Telegraph, and Mint	„	2,244,826	2,328,700	2,339,700	2,423,400
Receipts by Civil Departments	„	1,507,961	1,464,200	1,518,700	1,521,500
Miscellaneous	„	1,792,778	1,340,300	1,325,500	1,243,000
Railways	„	15,520,696	16,686,500	16,503,300	17,151,400
Irrigation	„	1,900,718	1,889,300	1,985,300	2,035,000
Buildings and Roads	„	604,753	603,700	649,200	589,400
Receipts by Military Departments	„	1,062,363	944,600	1,022,100	982,600
TOTAL REVENUE	-	81,696,678	82,935,300	84,636,300	84,932,100
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net incurred)	C.	13,487,881	5,871,400	5,077,400	6,359,000
Unfunded Debt (net incurred)	„	990,374	629,700	14,100	309,600
Deposits and Advances (net)	„	—	—	891,700	710,200
Loans and Advances by Provincial Governments.	„	5,468	—	—	—
Remittances (net)	„	—	43,800	732,200	—
Secretary of State's Bills drawn	„	14,262,859	14,689,900	15,400,900	14,989,000
TOTAL RECEIPTS	-	110,443,260	104,170,100	106,752,600	107,299,900
Balance on 1st April—India	-	13,883,701	12,900,001	13,305,189	14,596,889
England	-	5,900,697	3,849,797	3,259,933	4,503,833
GRAND TOTAL	-	130,227,658	120,919,898	123,317,722	126,400,622

Fort William. Finance and Commerce Department,
21 March 1890.

E. W. Kellner,
Deputy Comptroller General.

REVENUE and EXPENDITURE, and RECEIPTS and DISBURSEMENTS, of the
in INDIA and in ENGLAND.

	For Detail, *vide* Statement.	DISBURSEMENTS. Accounts, 1888-89.	Budget Estimate, 1889-90.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.
EXPENDITURE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Direct Demands on the Revenues	B.	9,737,896	9,730,000	9,014,500	9,775,500
Interest	"	4,712,259	4,358,600	4,262,300	4,296,300
Post Office, Telegraph, and Mint	"	2,146,511	2,268,300	2,205,100	2,328,600
Salaries and Expenses of Civil Departments	"	13,013,543	13,291,200	13,282,500	13,596,800
Miscellaneous Civil Charges	"	4,884,376	4,823,200	4,848,700	4,945,400
Famine Relief and Insurance	"	78,386	100,500	607,500	600,000
Construction of Railways (charged against Revenue, in addition to that under Famine Insurance)	"	22,401	10,200	5,900	4,800
Railway Revenue Account	"	17,754,088	18,713,100	18,406,900	19,017,900
Irrigation	"	2,622,964	2,614,700	2,709,300	2,739,400
Buildings and Roads	"	5,310,732	5,482,400	5,439,400	5,717,300
Army Services	"	20,301,841	20,974,700	20,933,600	21,505,100
Special Defence Works	–	789,595	1,102,900	758,400	892,300
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL	–	81,374,542	83,469,800	82,474,100	85,419,400
Add,—Provincial Surpluses, that is, portion of Allotments to Provincial Governments not spent by them in the year	End of B.	+343,140	+ 24,600	+385,100	+ 7,700
Deduct,—Provincial Deficits, that is, portion of Provincial Expenditure defrayed from Provincial Balances	"	— 58,022	—665,400	— 32,600	—765,400
TOTAL EXPENDITURE charged against REVENUE	–	**81,659,660**	**82,829,000**	**82,826,600**	**84,661,700**
EXPENDITURE NOT CHARGED TO REVENUE:					
Capital Outlay on Railways and Irrigation Works	End of B.	1,638,001	4,089,500	3,468,100	3,750,000
Capital Charge involved in Redemption of Liabilities	–	10,336,049	—	—	4,695,000
DEBT, DEPOSITS, AND ADVANCES:					
Deposits and Advances (net)	C.	354,414	19,700	—	—
Loans to Native States and Presidency Corporations, &c. (net Advances)	"	572,446	463,600	409,900	537,000
Loans and Advances by Provincial Governments	"	—	364,100	300,000	370,000
Capital of Railway Companies (*net* Payments)	"	4,091,539	3,763,100	1,703,100	2,200,500
Remittances (net)	"	39,455	—	—	18,000
Secretary of State's Bills paid	"	15,030,972	14,690,900	15,509,300	14,921,900
TOTAL DISBURSEMENTS	–	113,662,536	106,219,900	104,217,000	111,154,100
Balance on 31st March—India	–	13,305,189	12,553,301	14,596,889	13,094,089
England	–	3,259,933	2,146,697	4,503,833	2,152,433
GRAND TOTAL	–	130,227,658	120,919,898	123,317,722	126,400,622
Revenue		81,696,678	82,935,300	84,636,300	84,932,100
Expenditure chargeable thereon		81,659,660	82,829,000	82,826,600	84,661,700
Surplus (+) or Deficit (—)		+ 37,018	+ 106,300	+ 1,809,700	+ 270,400

E. Gay,
Comptroller General.

E. J. Sinkinson,
Secretary to the Government of India.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

HEADS OF REVENUE.	ACCOUNTS, 1888–89.					REVISED	
	India.		England.	Exchange.* 1 *s.* 4·379 *d.*	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
PRINCIPAL HEADS OF REVENUE:	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—Land Revenue	14,016,863	8,999,541	-	-	23,016,404	14,726,800	9,090,500
II.—Opium	8,562,319	-	-	-	8,562,319	8,546,400	-
III.—Salt	7,649,281	26,353	-	-	7,675,634	8,156,900	35,600
IV.—Stamps	1,145,628	2,781,460	-	-	3,927,088	1,186,900	2,873,600
V.—Excise	3,443,988	1,261,358	-	-	4,705,346	3,622,000	1,215,400
VI.—Provincial Rates	554	3,053,700	-	-	3,054,254	600	3,345,200
VII.—Customs	1,318,609	14,175	-	-	1,332,784	1,472,100	15,200
VIII.—Assessed Taxes	899,073	621,867	-	-	1,520,940	899,400	667,700
IX.—Forest	691,084	657,963	-	-	1,349,047	749,000	697,400
X.—Registration	166,951	164,761	-	-	331,712	174,400	172,300
XI.—Tributes from Native States	745,233	-	-	-	745,233	777,400	-
Total	38,639,583	17,581,178	-	-	**56,220,761**	40,311,900	18,112,900
XII.—Interest	555,764	87,546	135,477	63,035	**841,822**	585,600	87,400
POST OFFICE, TELEGRAPH, AND MINT:							
XIII.—Post Office	1,275,483	6,057	-	-	1,281,540	1,297,900	6,400
XIV.—Telegraph	717,343	434	16,632	7,739	742,148	744,000	500
XV.—Mint	221,097	-	28	13	221,138	267,100	-
Total	2,213,923	6,491	16,660	7,752	**2,244,826**	2,309,000	6,900
RECEIPTS BY CIVIL DEPARTMENTS:							
XVI.—Law and Justice { Courts	28,173	308,134	-	-	336,307	23,000	325,300
XVI.—Law and Justice { Jails	30,687	228,617	-	-	259,304	43,300	232,500
XVII.—Police	22,513	330,484	-	-	352,997	30,900	336,300
XVIII.—Marine	93,207	118,559	-	-	211,766	73,700	115,900
XIX.—Education	2,045	210,076	-	-	212,121	1,500	201,200
XX.—Medical	1,116	56,846	2,711	1,261	61,934	700	55,200
XXI.—Scientific and other Minor Departments.	5,941	65,866	1,177	548	73,532	5,800	68,400
Total	183,682	1,318,582	3,888	1,809	**1,507,961**	178,900	1,334,800
MISCELLANEOUS:							
XXII.—Receipts in aid of Superannuation, &c.	196,653	40,481	104,707	48,718	390,559	181,500	39,100
XXIII.—Stationery and Printing	23,659	44,706	-	-	68,365	26,700	43,200
XXIV.—Exchange	951,453	-	-	-	951,453	453,400	-
XXV.—Miscellaneous	82,212	294,045	4,193	1,951	382,401	133,500	292,000
Total	1,253,977	379,232	108,900	50,669	**1,792,778**	795,100	374,300
RAILWAYS:							
XXVI.—State Railways (Gross Receipts)	10,289,054	1,537,729	230	107	11,827,120	11,690,200	1,669,800
XXVII.—Guaranteed Companies (Net Traffic Receipts).	3,650,808	-	-	-	3,650,808	3,100,000	-
XXVIII.—Subsidised Companies (Repayment of Advances of Interest).	42,768	-	-	-	42,768	43,000	-
Total	13,982,630	1,537,729	230	107	**15,520,696**	14,833,200	1,669,800
IRRIGATION:							
XXIX.—Major Works: Direct Receipts	468,058	593,744	-	-	1,061,802	535,500	615,500
Portion of Land Revenue due to Irrigation.	671,041	-	-	-	671,041	669,400	-
XXX.—Minor Works and Navigation	35,501	132,374	-	-	167,875	36,500	128,400
Total	1,174,600	726,118	-	-	**1,900,718**	1,241,400	743,900
BUILDINGS AND ROADS:							
XXXI.—Military Works	42,544	-	-	-	42,544	40,400	-
XXXII.—Civil Works	12,144	511,411	26,380	12,274	562,209	49,900	521,900
Total	54,688	511,411	26,380	12,274	**604,753**	90,300	521,900
RECEIPTS BY MILITARY DEPARTMENTS:							
XXXIII.—Army: Effective	940,998	-	32,884	15,301	989,183	901,400	-
Non-effective	64,078	-	6,212	2,890	73,180	56,600	-
Total	1,005,076	-	39,096	18,191	**1,062,363**	958,000	-
TOTAL REVENUES	59,063,923	22,148,287	330,631	153,837	**81,696,678**	61,303,400	22,851,900

* The columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England, the Exchange thereon calculated in accordance with the average rate obtained for Bills and Telegraphic Transfers sold during the year.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1889-90.			Increase + Decrease — of Revised, as compared with Budget Estimate, 1889–90.	BUDGET ESTIMATE, 1890-91.					Increase + Decrease — of Budget, 1890–91, as compared with Budget, 1889-90.*	Increase + Decrease — of Budget, 1890–91, as compared with Revised Estimate, 1889-90.
				India.						
England.	Exchange.* 1 *s.* 4·552 *d.*	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.* 1 *s.* 4·552 *d.*	TOTAL.		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
- -	- -	23,817,300	+ 425,600	15,303,700	8,570,700	- -	- -	23,874,400	+ 482,700	+ 57,100
- -	- -	8,546,400	+ 286,400	8,203,300	- -	- -	- -	8,203,300	— 56,700	— 343,100
- -	- -	8,192,500	+ 162,600	8,200,500	33,000	- -	- -	8,233,500	+ 203,600	+ 41,000
- -	- -	4,060,500	+ 101,000	1,180,300	2,854,600	- -	- -	4,034,900	+ 75,400	— 25,600
- -	- -	4,837,400	+ 110,100	3,626,800	1,217,700	- -	- -	4,844,500	+ 117,200	+ 7,100
- -	- -	3,345,800	+ 87,800	600	3,348,800	- -	- -	3,349,400	+ 91,400	+ 3,600
- -	- -	1,487,300	+ 68,900	1,546,400	14,700	- -	- -	1,561,100	+ 142,700	+ 73,800
- -	- -	1,567,100	+ 51,800	896,600	662,100	- -	- -	1,558,700	+ 43,400	— 8,400
- -	- -	1,446,400	+ 176,800	722,000	692,400	- -	- -	1,414,400	+ 144,800	— 32,000
- -	- -	346,700	+ 15,600	173,900	171,600	- -	- -	345,500	+ 14,400	— 1,200
- -	- -	777,400	— 5,600	776,200	- -	- -	- -	776,200	— 6,800	— 1,200
- -	- -	**58,424,800**	+ 1,481,000	40,630,300	17,565,600	- -	- -	**58,195,900**	+1,252,100	— 228,900
134,300	60,400	**867,700**	+ 133,500	597,600	102,400	62,000	27,900	**789,900**	+ 55,700	— 77,800
- -	- -	1,304,300	— 43,700	1,379,200	7,000	- -	- -	1,386,200	+ 38,200	+ 81,900
16,400	7,400	768,300	+ 16,200	769,300	400	16,200	7,300	793,200	+ 41,100	+ 24,900
- -	- -	267,100	+ 38,500	244,000	- -	- -	- -	244,000	+ 15,400	— 23,100
16,400	7,400	**2,339,700**	+ 11,000	2,392,500	7,400	16,200	7,300	**2,423,400**	+ 94,700	+ 83,700
- -	- -	348,300	+ 21,500	23,400	318,400	- -	- -	341,800	+ 15,000	— 6,500
- -	- -	275,800	+ 5,700	38,000	251,300	- -	- -	289,300	+ 19,200	+ 13,500
- -	- -	367,200	+ 21,200	22,400	335,700	- -	- -	358,100	+ 12,100	— 9,100
- -	- -	189,600	+ 4,900	76,500	115,900	- -	- -	192,400	+ 7,700	+ 2,800
- -	- -	202,700	— 9,700	1,200	203,200	- -	- -	204,400	— 8,000	+ 1,700
2,600	1,200	59,700	+ 3,500	700	57,000	2,600	1,200	61,500	+ 5,300	+ 1,800
800	400	75,400	+ 7,400	5,000	68,600	300	100	74,000	+ 6,000	— 1,400
3,400	1,600	**1,518,700**	+ 54,500	167,200	1,350,100	2,900	1,300	**1,521,500**	+ 57,300	+ 2,800
104,100	46,800	371,500	— 43,600	178,600	41,200	98,700	44,400	362,900	— 52,200	— 8,600
- -	- -	69,900	+ 4,300	27,500	45,300	- -	- -	72,800	+ 7,200	+ 2,900
- -	- -	453,400	— 73,900	443,500	- -	- -	- -	443,500	— 83,800	— 9,900
3,600	1,600	430,700	+ 98,400	81,600	278,600	2,500	1,100	363,800	+ 31,500	— 66,900
107,700	48,400	**1,325,500**	— 14,800	731,200	365,100	101,200	45,500	**1,243,000**	— 97,300	— 82,500
200	100	13,360,300	+ 256,800	12,060,000	1,717,000	200	100	13,777,300	+ 673,800	+ 417,000
- -	- -	3,100,000	— 460,000	3,342,000	- -	- -	- -	3,342,000	— 218,000	+ 242,000
- -	- -	43,000	+ 20,000	32,100	- -	- -	- -	32,100	+ 9,100	— 10,900
200	100	**16,503,300**	— 183,200	15,434,100	1,717,000	200	100	**17,151,400**	+ 464,900	+ 648,100
- -	- -	1,151,000	+ 60,900	546,300	627,600	- -	- -	1,173,900	+ 83,800	+ 22,900
- -	- -	669,400	+ 40,000	688,100	- -	- -	- -	688,100	+ 58,700	+ 18,700
- -	- -	164,900	— 4,900	41,000	132,000	- -	- -	173,000	+ 3,200	+ 8,100
- -	- -	**1,985,300**	+ 96,000	1,275,400	759,600	- -	- -	**2,035,000**	+ 145,700	+ 49,700
- -	- -	40,400	+ 1,500	38,000	- -	- -	- -	38,000	— 900	— 2,400
25,500	11,500	608,800	+ 44,000	11,700	504,900	24,000	10,800	551,400	— 13,400	— 57,400
25,500	11,500	**649,200**	+ 45,500	49,700	504,900	24,000	10,800	**589,400**	— 14,300	— 59,800
35,700	16,100	953,200	+ 74,700	865,200	- -	30,000	13,500	908,700	+ 30,200	— 44,500
8,500	3,800	68,900	+ 2,800	60,800	- -	9,000	4,100	73,900	+ 7,800	+ 5,000
44,200	19,900	**1,022,100**	+ 77,500	926,000	- -	39,000	17,600	**982,600**	+ 38,000	— 39,500
331,700	149,300	**84,636,300**	+1,701,000	62,204,000	22,372,100	245,500	110,500	**84,932,100**	+ 1,996,800	+ 295,800

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1888-89. India. Imperial.	India. Provincial and Local.	England.	Exchange.† 1 s. 4·379 d.	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
DIRECT DEMANDS ON THE REVENUES:	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
1.—Refunds and Drawbacks	152,174	76,444	- -	- -	228,618	167,400	71,600
2.—Assignments and Compensations	549,218	937,017	- -	- -	1,486,235	575,400	976,000
Charges in respect of Collection, viz.:							
3.—Land Revenue	259,038	3,254,063	584	272	3,513,957	304,100	3,327,900
4.—Opium (including Cost of Production)	2,596,772	- -	773	360	2,597,905	1,653,900	- -
5.—Salt (including Cost of Production)	410,257	2,341	260	121	412,979	410,800	9,800
6.—Stamps	—9,221	94,136	47,265	21,992	154,172	—12,000	96,700
7.—Excise	101,341	36,420	123	57	137,941	114,800	39,100
8.—Provincial Rates	- -	59,383	- -	- -	59,383	- -	54,900
9.—Customs	48,377	85,343	121	56	133,897	48,700	85,700
10.—Assessed Taxes	15,196	11,932	- -	- -	27,128	14,600	13,400
11.—Forest	386,476	402,019	2,392	1,113	792,000	373,300	439,900
12.—Registration	97,173	96,508	- -	- -	193,681	96,800	96,000
Total	4,606,801	5,055,606	51,518	23,971	**9,737,896**	3,747,800	5,211,000
INTEREST:							
13.—Interest on Debt* other than that charged to Railways and Irrigation Works.	326,798	47,390	2,662,056	1,238,609	4,274,853	278,800	53,300
14.—Interest on other Obligations	434,662	2,341	275	128	437,406	444,200	2,300
Total	761,460	49,731	2,662,331	1,238,737	**4,712,259**	723,000	55,600
POST OFFICE, TELEGRAPH, AND MINT:							
15.—Post Office	1,106,403	111,286	85,146	39,617	1,342,452	1,148,000	113,300
16.—Telegraph	559,558	453	98,330	45,751	704,092	572,100	500
17.—Mint	89,118	- -	7,404	3,445	99,967	102,300	- -
Total	1,755,079	111,739	190,880	88,813	**2,146,511**	1,822,400	113,800
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:							
18.—General Administration	593,342	798,077	241,412	112,325	1,745,156	590,300	814,600
19.—Law and Justice { Courts	83,812	2,609,501	641	298	2,694,252	94,100	2,608,400
19.—Law and Justice { Jails	158,187	675,996	- -	- -	834,183	164,700	687,900
20.—Police	880,736	2,873,558	- -	- -	3,754,294	934,300	2,951,900
21.—Marine (including River Navigation)	276,424	151,868	102,364	47,628	578,284	345,600	169,100
22.—Education	15,200	1,276,871	1,085	504	1,293,660	15,600	1,285,500
23.—Ecclesiastical	156,050	7	545	254	156,856	159,200	-
24.—Medical	33,076	729,174	6,813	3,170	772,233	36,200	735,600
25.—Political	659,555	53,013	29,772	13,853	756,193	633,100	52,200
26.—Scientific and other Minor Departments	252,361	148,478	18,831	8,762	428,432	253,900	144,300
Total	3,108,743	9,316,543	401,463	186,794	**13,013,543**	3,227,000	9,449,500
MISCELLANEOUS CIVIL CHARGES:							
27.—Territorial and Political Pensions	516,905	- -	18,257	8,495	543,657	527,900	- -
28.—Civil Furlough and Absentee Allowances	1,180	- -	216,503	100,735	318,418	1,600	- -
29.—Superannuation Allowances and Pensions	86,778	665,716	1,612,200	750,129	3,114,823	88,300	700,000
30.—Stationery and Printing	57,126	388,802	53,535	24,909	524,372	100,500	394,100
31.—Exchange	- -	- -	- -	- -	- -	- -	- -
32.—Miscellaneous	128,138	203,414	35,184	16,370	383,106	55,000	186,800
Total	790,127	1,257,932	1,935,679	900,638	**4,884,376**	773,300	1,280,900
FAMINE RELIEF AND INSURANCE:							
33.—Famine Relief	- -	7,799	- -	- -	7,799	- -	100,000
34.—Construction of Protective Railways	- -	- -	- -	- -	- -	- -	- -
35.—Construction of Protective Irrigation Works	70,537	- -	- -	- -	70,537	74,000	- -
36.—Reduction of Debt	- -	- -	- -	- -	- -	433,500	- -
Total*	70,537	7,799	- -	-	**78,336**	507,500	100,000
Carried forward	11,092,747	15,799,350	5,241,871	2,438,953	34,572,921	10,801,000	16,210,800

	ACCOUNTS, 1888 89. India.	England.	Exchange.	TOTAL.
The "Interest on Debt" is distributed as follows:—	*Rx.*	£.	*Rx.*	*Rx.*
Interest on Debt (other than that charged to Railways and Irrigation Works) as above	374,188	2,662,056	1,238,609	4,274,853
Under Railway Revenue Account	2,692,498	631,812	293,971	3,618,281
Under Irrigation	1,040,717	- -	- -	1,040,717
TOTAL	4,107,403	3,293,868	1,532,580	8,933,851

† See foot-note to Statement A., p. 52.

* The following further sums, which are included under XXVI. and 38 State Railways, are chargeable to the grant for Famine Relief and Insurance, as representing the net charge on the Revenues on account of Protective railways constructed through the agency of Companies:—

	Accounts, 1888-89.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.
	Rx.	*Rx.*	*Rx.*
Indian Midland Railway	210,886	214,600	181,900
Bengal Nagpur Railway	219,296	243,500	250,900
TOTAL	430,182	458,100	432,800

Revenues of India, in India and in England.

ESTIMATE, 1889-90.			Increase + Decrease — of Revised as compared with Budget Estimate, 1889-90.	BUDGET ESTIMATE, 1890-91.					Increase + Decrease — of Budget, 1890-91, as compared with Budget, 1889-90.	Increase + Decrease — of Budget, 1890-91, as compared with Revised Estimate, 1889-90.
				India.						
England.	Exchange.† 1 *s.* 4·552 *d.*	Total.		Imperial.	Provincial and Local.	England.	Exchange.† 1 *s.* 4·552 *d*	Total.		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
- -	- -	239,000	+ 17,900	153,900	65,700	- -	- -	219,600	— 1,500	— 19,400
- -	- -	1,551,400	+ 10,000	566,300	946,700	- -	- -	1,513,000	— 28,400	— 38,400
600	300	3,632,900	+ 3,800	341,100	3,371,100	800	400	3,713,400	+ 84,300	+ 80,500
1,100	500	1,655,500	—709,800	2,303,900	- -	600	300	2,304,800	— 59,500	+ 649,300
200	100	420,900	— 41,100	445,300	7,600	100	- -	453,000	— 9,000	+ 32,100
34,500	15,500	134,700	+ 400	—12,300	97,800	39,700	17,900	143,100	+ 8,800	+ 8,400
200	100	154,200	- -	128,700	43,800	100	- -	172,600	+ 18,400	+ 18 400
- -	- -	54,900	— 5,600	-	43,500	- -	- -	43,500	— 17,000	— 11,400
100	- -	134,500	— 3,800	50,000	88,300	200	100	138,600	+ 300	+ 4,100
- -	- -	28,000	— 800	16,100	15,100	- -	- -	31,200	+ 2,400	+ 3,200
1,700	800	815,700	+ 14,400	391,000	452,200	2,600	1,200	847,900	+ 46,600	+ 32,200
- -	- -	192,800	— 1,900	97,900	96,900	- -	- -	194,800	+ 100	+ 2,000
38,400	17,300	**9,014,500**	—715,500	4,482,800	5,228,700	44,100	19,900	**9,775,500**	+ 45.500	+ 761,000
2,402,300	1,081,000	3,815,400	— 87,600	174,700	66,700	2,482,300	1,117,000	3,840,700	— 62,300	+ 25,300
300	100	446,900	— 8,700	452,900	2,300	300	100	455,600	- -	+ 8,700
2,402,600	1,081,100	**4,262,300**	— 96,300	627,600	69,000	2,482,600	1,117,100	**4,296,300**	— 62,300	+ 34,000
72,300	32,500	1,366,100	— 36,700	1,182,900	114,200	84,700	38,100	1,419,900	+ 17,100	+ 53,800
101,600	45,700	719,900	— 42,500	586,000	500	147,600	66,400	800,500	+ 38,100	+ 80,600
11,600	5,200	119,100	+ 16,000	98,200	- -	6,900	3,100	108,200	+ 5,100	— 10,900
185,500	83,400	**2,205,100**	— 63,200	1,867,100	114,700	239,200	107,600	**2,328,600**	+ 60,300	+ 123,500
240,800	108,400	1,754,100	— 25,800	605,600	812,000	242,600	109,200	1,769,400	— 10,500	+ 15,300
4,200	1,900	2,708,600	— 13,900	107,300	2,648,700	2,700	1,200	2,759,900	+ 37,400	+ 51,300
- -	- -	852,600	+ 10,800	173,700	714,200	- -	- -	887,900	+ 46,100	+ 35,300
- -	- -	3,886,200	— 58,800	925,300	3,023,900	- -	- -	3,949,200	+ 4,200	+ 63,000
110,300	49,600	674,600	+ 92,600	315,900	147,000	107,800	48,500	619,200	+ 37,200	— 55,400
1,600	700	1,303,400	— 51,000	21,700	1,371,600	1,700	800	1,395,800	+ 41,400	+ 92,400
500	200	159,900	— 4,100	166,800	- -	300	100	167,200	+ 3,200	+ 7,300
6,600	3,000	781,400	— 10,800	37,000	763,200	7,000	3,100	810,300	+ 18,100	+ 28,900
23,200	10,500	719,000	+ 37,000	640,000	57,300	23,300	10,500	731,100	+ 49,100	+ 12,100
30,700	13,800	442,700	+ 15,300	308,400	161,000	25,800	11,600	506,800	+ 79,400	+ 64,100
417,900	188,100	**13,282,500**	— 8,700	3,301,700	9,698,900	411,200	185,000	**13,596,800**	+ 305,600	+ 314,300
19,000	8,600	555,500	+ 32,700	511,100	- -	12,500	5,600	529,200	+ 6,400	— 26,300
204,700	92,100	298,400	— 28,600	1,600	- -	217,000	97,700	316,300	— 10,700	+ 17,900
1,631,000	734,000	3,153,300	+ 6,000	86,400	712,700	1,645,000	740,300	3,184,400	+ 37,100	+ 31,100
46,000	20,700	561,300	+ 34,800	137,000	401,100	48,600	21,900	608,600	+ 82,100	+ 47,300
—	—	—	—	—	—	—	—	—	—	—
26,500	11,900	280,200	— 19,400	50,500	212,900	30,000	13,500	306,900	+ 7,300	+ 26,700
1,927,200	867,300	**4,848,700**	+ 25,500	786,600	1,326,700	1,953,100	879,000	**4,945,400**	+ 122,200	+ 96,700
- -	- -	100,000	+ 79,500	- -	10,500	- -	- -	10,500	— 10,000	— 89,500
—	—	—	—	—	—	—	—	—	—	—
- -	- -	74,000	— 6,000	65,000	- -	- -	- -	65,000	— 15,000	— 9,000
- -	- -	433,500	+433,500	524,500	- -	- -	- -	524,500	+ 524,500	+ 91,000
- -	- -	**607,500**	+507,000	589,500	10,500	- -	- -	**600,000**	+ 499,500	— 7,500
4,971,600	2,237,200	34,220,600	—351,200	11,655,300	16,448,500	5,130,200	2,308,600	35,542,600	+ 970,800	+1,322,000

REVISED ESTIMATE, 1889-90.				BUDGET ESTIMATE, 1890-91.			
India.	England.	Exchange.	Total.	India.	England.	Exchange.	Total.
Rx.	£.	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*
332,100	2,402,300	1,081,000	3,815,400	241,400	2,482,300	1,117,000	3,840,700
2,769,900	914,100	411,400	4,095,400	2,891,000	988,400	444,800	4,324,200
1,061,100	- -	- -	1,061,100	1,083,200	- -	- -	1,083,200
4,163,100	3,316,400	1,492,400	8,971,900	4,215,600	3,470,700	1,561,800	9,248,100

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1888-89. India. Imperial.	India. Provincial and Local.	England.	Exchange.* 1 s. 4·379 d.	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
	Rx.	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward	11,092,747	15,799,350	5,241,871	2,438,953	34,572,921	10,801,000	16,210,800
37.—CONSTRUCTION of RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	- -	22,401	- -	-	**22,401**	- -	5,900
RAILWAY REVENUE ACCOUNT:							
38.—State Railways: Working Expenses	5,241,911	817,345	- -	- -	6,059,256	5,948 200	847,500
Interest on Debt	2,216,121	456,962	631,812	293,971	3,598,866	2,273,600	476,900
Annuities in purchase of Railways	- -	- -	1,688,558	785,657	2,474,215	- -	- -
Interest chargeable against Companies on Advances.	- -	- -	- -	- -	- -	- -	- -
Interest on Capital deposited by Companies	19,703	- -	634,482	295,214	949,399	19,400	- -
39.—Guaranteed Companies: Surplus Profits, Land, and Supervision.	614,540	- -	- -	- -	614,540	467,900	- -
Interest	6,671	- -	2,697,388	1,255,048	3,959,107	10,200	- -
40.—Subsidised Companies: Land, &c.	13,632	14,439	- -	- -	28,071	59,500	14,600
Advances of Interest	—	—	—	—	—	—	—
41.—Miscellaneous Railway Expenditure	54,398	16,236	- -	- -	70,634	136,200	19,000
Total	8,166,976	1,304,982	5,652,240	2,629,890	**17,754,088**	8,915,000	1,358,000
IRRIGATION:							
42.—Major Works: Working Expenses	358,547	363,129	- -	- -	721,676	353,600	370,700
Interest on Debt	532,517	508,200	-	-	1,040,717	548,300	512,800
43.—Minor Works and Navigation	307,465	552,555	376	175	860,571	340,600	582,300
Total	1,198,529	1,423,884	376	175	**2,622,964**	1,242,500	1,465,800
BUILDINGS AND ROADS							
44.—Military Works	1,092,979	- -	10,392	4,835	1,108,206	1,134,800	- -
45.—Civil Works	745,071	3,312,552	98,891	46,012	4,202,526	655,200	3,458,900
Total	1,838,050	3,312,552	109,283	50,847	**5,310,732**	1,790,000	3,458,900
ARMY SERVICES:							
46.—Army: Effective	13,932,872	- -	1,756,958	817,482	16,507,312	14,042,200	- -
Non effective	879,719	- -	1,989,247	925,563	3,794,529	907,800	- -
Total	14,812,591	- -	3,746,205	1,743,045	**20,301,841**	14,950,000	- -
SPECIAL DEFENCE WORKS:							
47.—Special Defence Works	447,823	- -	233,246	108,526	**789,595**	406,000	- -
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL	37,556,716	21,863,169	14,983,221	6,971,436	81,374,542	38,104,500	22,499,400
Add,—Portion of Allotments to Provincial Governments not spent by them in the Year	- -	+343,140	- -	- -	+ 285,118	- -	+385,100
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances	- -	— 58,022					— 32,600
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	- -	22,148,287	- -	-	**81,659,660**	- -	22,851,900

	ACCOUNTS, 1888-89. India.	England.	Exchange (charged against Revenue).	TOTAL.
EXPENDITURE NOT CHARGED TO REVENUE:				
Capital Outlay on Railways and Irrigation Works:	*Rx.*	£.	*Rx.*	*Rx.*
48.—State Railways: Construction	46,876	772,021	359,214	1,178,111
49.—Irrigation Works	453,506	4,357	2,027	459,890
TOTAL	500,382	776,378	361,241	**1,638,001**
50.—CAPITAL CHARGE INVOLVED IN REDEMPTION OF LIABILITIES.	- -	10,336,049	- -	10,336,049

* *See* foot-note to Statement A., p. 52.

REVENUES of INDIA, in INDIA and in ENGLAND—*continued.*

ESTIMATE, 1889-90.			Increase + Decrease — of Revised, as compared with Budget Estimate, 1889-90.	BUDGET ESTIMATE, 1890-91.					Increase + Decrease — of Budget, 1890-91, as compared with Budget, 1889-90.	Increase + Decrease — of Budget, 1890-91, as compared with Revised Estimate, 1889-90.
England.	Exchange.* 1 *s.* 4·552 *d.*	TOTAL.		India. Imperial.	India. Provincial and Local.	England.	Exchange.* 1 *s.* 4·552 *d.*	TOTAL.*		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
4,971,600	2,237,200	34,220,600	— 351,200	11,655,300	16,448,500	5,130,200	2,308,600	35,542,600	+ 970,800	+1,322,000
- -	- -	5,900	— 4,300	- -	4,800	- -	- -	4,800	— 5,400	— 1,100
- -	- -	6,795,700	— 78,400	6,235,000	861,000	- -	- -	7,096,000	+ 221,900	+ 300,300
861,500	387,700	3,999,700	— 22,100	2,380,000	491,600	865,400	389,400	4,126,400	+ 104,600	+ 126,700
1,687,800	759,500	2,447,300	— 25,300	- -	- -	1,690,600	760,800	2,451,400	— 21,200	+ 4,100
52,600	23,700	76,300	+ 7,000	- -	- -	123,000	55,400	178,400	+ 109,100	+ 102,100
670,600	301,700	991,700	— 24,500	19,400	- -	669,200	301,100	989,700	— 26,500	— 2,000
- -	- -	467,900	— 182,100	569,000	- -	- -	- -	569,000	— 81,000	+ 101,100
2,337,100	1,051,700	3,399,000	— 40,100	8,600	- -	2,369,000	1,066,100	3,443,700	+ 4,600	+ 44,700
- -	- -	74,100	— 13,400	37,000	15,000	- -	- -	52,000	— 35,500	— 22,100
—	—	—	—	—	—	—	—	—	—	—
- -	- -	155,200	+ 72,700	88,000	23,300	- -	- -	111,300	+ 28,800	— 43,900
5,609,600	2,524,300	**18,406,900**	— 306,200	9,337,000	1,390,900	5,717,200	2,572,800	**19,017,900**	+ 304,800	+ 611,000
- -	- -	724,300	+ 32,400	360,000	368,800	- -	- -	728,800	+ 36,900	+ 4,500
- -	- -	1,061,100	— 4,000	564,900	518,300	- -	- -	1,083,200	+ 18,100	+ 22,100
700	300	923,900	+ 66,200	305,400	617,400	3,200	1,400	927,400	+ 69,700	+ 3,500
700	300	**2,709,300**	+ 94,600	1,230,300	1,504,500	3,200	1,400	**2,739,400**	+ 124,700	+ 30,100
16,000	7,200	1,158,000	+ 600	1,126,200	- -	23,800	10,700	1,160,700	+ 3,300	+ 2,700
115,400	51,900	4,281,400	— 43,600	625,300	3,781,100	103,600	46,600	4,566,600	+ 231,600	+ 275,200
131,400	59,100	**5,439,400**	— 43,000	1,751,500	3,781,100	127,400	57,300	**5,717,300**	+ 234,900	+ 277,900
2,071,800	932,300	17,046,300	— 39,100	13,911,500	- -	2,488,100	1,119,600	17,519,200	+ 433,800	+ 472,900
2,054,800	924,700	3,887,300	— 2,000	894,500	- -	2,132,000	959,400	3,985,900	+ 96,600	+ 98,600
4,126,600	1,857,000	**20,933,600**	— 41,100	14,806,000	- -	4,620,100	2,079,000	**21,505,100**	+ 530,400	+ 571,500
243,000	109,400	**758,400**	— 344,500	425,800	- -	321,700	144,800	**892,300**	— 210,600	+ 133,900
15,082,900	6,787,300	82,474,100	— 995,700	39,205,900	23,129,800	15,919,800	7,163,900	85,419,400	+1,949,600	+2,945,300
- -	- -	+ 385,100	- -	- -	+ 7,700	- -	- -	+ 7,700	—	—
- -	- -	— 32,600	- -	- -	—765,400	- -	- -	— 765,400		
- -	- -	**82,826,600**	- -	- -	22,372,100	- -	- -	**84,661,700**	--	—

REVISED ESTIMATE, 1889-90.				BUDGET ESTIMATE, 1890-91.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
Rx.	£.	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*
1,563,300	1,036,500	466,400	3,066,200	1,960,200	855,000	384,800	3,200,000
398,600	2,300	1,000	401,900	545,900	2,800	1,300	550,000
1,961,900	1,038,800	467,400	**3,468,100**	2,506,100	857,800	386,100	**3,750,000**
- -	- -	- -	- -	- -	4,695,000	- -	**4,695,000**

C. STATEMENT of RECEIPTS and DISBURSEMENTS other than REVENUE

	ACCOUNTS, 1888–89.			REVISED ESTIMATE, 1889–90.			BUDGET ESTIMATE, 1890–91.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
REVENUE (from Statement A.) -	81,212,210	330,631	81,542,841	84,155,300	331,700	84,487,000	84,576,100	245,500	84,821,600
Exchange added to Revenue -	153,837	- -	153,837	149,300	- -	149,300	110,500	- -	110,500
Total - - -	81,366,047	330,631	81,696,678	84,304,600	331,700	84,636,300	84,686,600	245,500	84,932,100
PERMANENT DEBT INCURRED :									
Sterling Debt :									
3½ per Cent. India Stock -	- -	4,630,678	—	—	—	—	—	—	—
3 per Cent. India Stock -	- -	6,921,049	- -	-	3,500,000	- -	- -	5,400,000	—
Debenture and Debenture Stock.	- -	3,415,000	- -	- -	661,000	- -	- -	1,495,000	—
Rupee Debt :									
4 per Cent. Rupee Loan -	3,000,000	- -	- -	2,000,000	—	—	—	—	—
Stock Notes - - -	2,073	—	—	—	—	—	—	—	—
Total - - -	3,002,073	14,366,727	17,368,800	2,000,000	4,161,000	6,161,000	—	6,895,000	6,895,000
Net - - -	- -	- -	13,487,881	- -	- -	5,077,400	- -	- -	6,359,000
UNFUNDED DEBT :									
Treasury Notes - - -	933	- -	- -	1,300	- -	- -	1,000	—	—
Deposits of Service Funds -	128,454	- -	- -	129,200	- -	- -	131,600	—	—
Savings Bank Deposits - -	5,343,103	- -	- -	3,271,600	- -	- -	3,462,300	—	—
Total - - -	5,472,490	—	5,472,490	3,402,100	- -	3,402,100	3,594,900	- -	3,594,900
Net - - -	- -	- -	990,374	- -	- -	14,100	- -	- -	309,600
DEPOSITS AND ADVANCES :									
Balances of Provincial Allotments	343,140	- -	- -	385,100	- -	- -	7,700	—	—
Appropriation for reduction of Debt.	- -	- -	- -	433,500	- -	- -	524,500	—	—
Excluded Local Funds - -	700,998	- -	- -	656,900	- -	- -	649,200	—	—
Political and Railway Funds -	254,877	- -	- -	242,500	- -	- -	273,200	—	—
Departmental and Judicial Deposits.	13,861,523	- -	- -	14,086,500	- -	- -	13,794,800	—	—
Advances - - - - -	9,679,831	5,137	- -	10,763,200	4,500	- -	8,978,200	7,100	—
Suspense Accounts - -	165,053	- -	- -	32,300	-	- -	11,300	—	—
Exchange on Remittance Accounts (net).	- -	- -	- -	113,500	- -	- -	833,900	—	—
Miscellaneous - - -	379,513	- -	- -	75,400	700	- -	71,700	—	—
Total - - -	25,384,936	5,137	25,390,072	26,788,900	5,200	26,794,100	25,144,500	7,100	25,151,600
Net - - -	- -	- -	0	- -	- -	891,700	- -	- -	710,200
Carried forward - - -	115,225,545	14,702,495	- -	116,495,600	4,497,900	- -	113,426,000	7,147,600	—

and EXPENDITURE of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND

	ACCOUNTS, 1888-89.			REVISED ESTIMATE, 1889-90.			BUDGET ESTIMATE, 1890-91.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
EXPENDITURE, IMPERIAL and PROVINCIAL (from Statement B.).	59,419,885	14,983,221	74,403,106	60,603,900	15,082,900	75,686,800	62,335,700	15,919,800	78,255,500
Exchange, charged as Expenditure	6,971,436	- -	6,971,436	6,787,300	- -	6,787,300	7,163,900	- -	7,163,900
Add,—Provincial Surpluses, transferred to "Deposits."	343,140	- -	343,140	385,100	- -	385,100	7,700	- -	7,700
Deduct,—Provincial Deficits, charged against "Deposits."	—58,022	- -	—58,022	—32,600	- -	—32,600	—765,400	- -	—765,400
Total - - -	66,676,439	14,983,221	81,659,660	67,743,700	15,082,900	82,826,600	68,741,900	15,919,800	84,661,700
EXPENDITURE NOT CHARGED TO REVENUE.									
Capital Outlay on Railways and Irrigation Works.	500,382	776,378	- -	1,961,900	1,038,800	- -	2,506,100	857,800	—
Capital Charge involved in Redemption of Liabilities.	- -	10,336,049	-	- -	- -	- -	- -	4,695,000	—
Add,—Exchange on Expenditure not charged to Revenue.	361,241	- -	- -	467,400	- -	- -	386,100	—	—
Total - - -	861,623	11,112,427	11,974,050	2,429,300	1,038,800	3,468,100	2,892,200	5,552,800	8,445,000
PERMANENT DEBT DISCHARGED:									
Sterling Debt:									
India 5 per Cent. Stock -	- -	18	- -	- -	2,600	—	—	—	—
India 3½ per Cent. Debentures	- -	- -	- -	-	661,000	—	—	—	—
India 4 per Cent. Stock -	- -	3,667,608	- -	- -	300,000	—	—	—	—
Oudh and Rohilkund Railway Debentures.	- -	- -	- -	- -	- -	- -	- -	500,000	—
Rupee Debt:									
5½ per Cent. Loans - -	300	—	—	—	—	—	—	—	—
5 per Cent. Loans - - -	150	—	—	—	—	—	—	—	—
4½ per Cent. Loans - -	210,915	- -	- -	31,000	- -	- -	21,000	—	—
4 per Cent. Loans -	210	- -	- -	50,700	—	—	—	—	—
Provincial Debentures - -	- -	- -	- -	36,100	- -	- -	12,000	—	—
Stock Notes - - - -	1,718	- -	- -	2,200	- -	- -	3,000	—	—
Total - - -	213,293	3,667,626	3,880,919	120,000	963,600	1,083,600	36,000	500,000	536,000
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
UNFUNDED DEBT:									
Special Loans - - - -	221	- -	- -	500	- -	- -	500	—	—
Treasury Notes - - -	82	—	—	—	—	—	—	—	—
Deposits of Service Funds -	81,295	- -	- -	82,000	- -	- -	82,100	—	—
Savings Bank Deposits - -	4,400,518	- -	- -	3,305,500	- -	- -	3,202,700	—	—
Total - - -	4,482,116	- -	4,482,116	3,388,000	- -	3,388,000	3,285,300	- -	3,285,300
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
DEPOSITS AND ADVANCES:									—
Balances of Provincial Allotments	58,022	- -	- -	32,600	- -		765,400	—	—
Excluded Local Funds - -	678,468	- -	- -	681,300	- -	- -	678,400	—	—
Political and Railway Funds -	348,131	- -	- -	256,100	- -	- -	283,000	—	—
Departmental and Judicial Deposits.	13,694,114	- -	- -	14,213,200	- -	- -	13,724,900	—	—
Advances - - - - -	9,483,433	5,346	- -	10,596,700	3,100	-	8,926,700	4,900	—
Suspense Accounts - - -	85,539	- -	- -	30,500	- -	- -	17,100	—	—
Exchange on Remittance Accounts (net).	512,798	—	—	—	—	—	—	—	—
Miscellaneous - - - - -	878,574	61	- -	88,600	300	- -	41,000	—	—
Total - - -	25,739,079	5,407	25,744,486	25,899,000	3,400	2,902,400	24,436,500	4,900	24,441,400
Net - - -	- -	- -	354,414	- -	- -	0	- -	- -	0
Carried forward - - -	97,972,550	29,768,681	- -	99,580,000	17,088,700	- -	99,391,900	21,977,500	—

C.—STATEMENT of Receipts and Disbursements other than Revenue and

	ACCOUNTS, 1888-89.			REVISED ESTIMATE, 1889-90.			BUDGET ESTIMATE, 1890-91.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward	115,225,545	14,702,495	—	116,495,600	4,497,900	—	113,426,000	7,147,600	—
Loans to Native States and Presidency Corporations, &c.	92,983	—	92,983	111,300	—	111,300	97,200	—	97,200
Net	—	—	0	—	—	0	—	—	0
Loans and Advances by Provincial Governments.	203,446	—	203,446	199,700	—	199,700	220,700	—	220,700
Net	—	—	5,468	—	—	0	—	—	0
Capital Receipts from Railway Companies:									
On account of Subscribed Capital.	—	1,705,701	—	—	1,536,700	—	—	2,732,300	—
Repayments	1,412,915	13,890	—	1,278,400	4,200	—	1,230,600	—	—
Total	1,412,915	1,719,591	3,132,506	1,278,400	1,540,900	2,819,300	1,230,600	2,732,300	3,962,900
Net	—	—	0	—	—	0	—	—	0
Remittances:									
Inland Money Orders	12,781,372	—	—	14,285,700	—	—	15,385,700	—	—
Other Departmental Accounts	494,507	—	—	630,600	—	—	659,500	—	—
Net Receipts by Civil Treasuries from—									
Post Office	1,056,976	—	—	247,700	—	—	473,000	—	—
Guaranteed Railways	3,654,820	—	—	3,504,200	—	—	3,624,800	—	—
Net Receipts from Civil Treasuries by—									
Telegraph	233	—	—	14,100	—	—	1,700	—	—
Marine	242,490	—	—	298,900	—	—	256,900	—	—
Military	13,367,798	—	—	13,569,400	—	—	13,445,800	—	—
Public Works	2,787,517	—	—	1,780,300	—	—	1,859,000	—	—
Remittance Account between England and India.	1,228,277	155,363	—	1,020,900	182,100	—	1,303,300	134,300	—
Total	35,613,990	155,363	35,769,353	35,357,800	182,100	35,539,900	37,009,700	134,300	37,144,000
Net	—	—	0	—	—	732,200	—	—	0
Secretary of State's Bills Drawn	—	14,262,859	14,262,859	—	15,400,900	15,400,900	—	14,989,000	14,989,000
Total Receipts	152,548,879	30,840,308	—	153,442,800	21,621,800	—	151,984,200	25,003,200	—
Opening Balance	13,883,701	5,900,697	—	13,305,189	3,259,933	—	14,596,889	4,503,833	—
GRAND TOTAL	166,432,580	36,741,005	—	166,747,989	24,881,733	—	166,581,089	29,507,033	—

Fort William, Department of Finance and Commerce,
21 March 1890.

E. W. Kellner,
Deputy Comptroller General.

D.—ACCOUNT of Provincial and Local Savings charged to Revenue, and held

Provincial and

Note.—These Balances do not include the Balances

	India.	Central Provinces.	Burmah.	Assam.
Accounts, 1888-89.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Balance at end of 1887-88 (*a*)	12,544	271,955	200,188	78,624
Added in 1888-89	—	38,676	8,278	26,317
Spent in 1888-89	622	—	—	—
Balance at end of 1888-89	11,922	310,631	208,466	104,941
Revised Estimate, 1889-90.				
Balance at end of 1888-89 (by Accounts)	11,922	310,631	208,466	104,941
Added in 1889-90	—	—	(*b*) 700 (*c*) 44,200	10,900
Spent in 1889-90	700	31,900	—	—
Balance at end of 1889-90	11,222	278,731	253,366	115,841
Budget Estimate, 1890-91.				
Balance at end of 1889-90 (by Revised Estimate).	11,222	278,731	253,366	115,841
Added in 1890-91	—	—	—	—
Spent in 1890-91	300	84,300	(*b*) 7,200 (*c*) 29,900	42,500
Balance at end of 1890-91	10,922	194,431	216,266	73,341

(*a*) *See* Appropriation Report, Abstract D. (*b*) Upper Burma. (*c*) Lower Burma.

Fort William, Department of Finance and Commerce,
21 March 1890.

E. W. Kellner,
Deputy Comptroller General.

EXPENDITURE of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND—*continued.*

	ACCOUNTS, 1888-89.			REVISED ESTIMATE, 1889-90.			BUDGET ESTIMATE, 1890-91.		
	India.	England.	TOTAL.	India	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward	97,972,550	29,768,681	—	99,580,000	17,088,700	—	99,391,900	21,977,500	—
Loans to Native States and Presidency Corporations, &c.	665,429	—	665,429	521,200	—	521,200	634,200	—	634,200
Net	—	—	572,446	—	—	409,900	—	—	537,000
Loans and Advances by Provincial Governments.	197,978	—	197,978	499,700	—	499,700	590,700	—	590,700
Net	—	—	0	—	—	300,000	—	—	370,000
Payments to Railway Companies on Capital Account:									
For discharge of Debentures	—	200	—	—	600,000	—	—	1,804,300	—
For Expenditure	4,719,964	2,443,881	—	2,264,200	1,658,200	—	2,117,800	2,241,300	—
Total	4,719,964	2,444,081	7,164,045	2,264,200	2,258,200	4,522,400	2,117,800	4,045,600	6,163,400
Net	—	—	4,031,539	—	—	1,703,100	—	—	2,200,500
Remittances:									
Inland Money Orders	12,758,144	—	—	14,285,700	—	—	15,385,700	—	—
Other Local Remittances	40,816	—	—	—	—	—	—	—	—
Other Departmental Accounts	498,680	—	—	630,900	—	—	659,700	—	—
Net Payments into Civil Treasuries by—									
Post Office	1,049,696	—	—	247,700	—	—	473,000	—	—
Guaranteed Railways	3,654,820	—	—	3,504,200	—	—	3,624,800	—	—
Net Issues from Civil Treasuries to—									
Telegraph	659	—	—	14,100	—	—	1,700	—	—
Marine	237,343	—	—	298,900	—	—	256,900	—	—
Military	13,362,487	—	—	13,469,400	—	—	13,445,800	—	—
Public Works	2,798,852	—	—	1,196,300	—	—	1,859,000	—	—
Remittance Account between England and India.	139,001	1,268,310	—	129,500	1,031,000	—	123,900	1,331,500	—
Total	34,540,498	1,268,310	35,808,808	33,776,700	1,031,000	34,807,700	35,830,500	1,331,500	37,162,000
Net	—	—	39,455	—	—	0	—	—	18,000
SECRETARY OF STATE'S BILLS PAID.	15,030,972	—	15,030,972	15,509,300	—	15,509,300	14,921,900	—	14,921,900
TOTAL DISBURSEMENTS	153,127,391	33,481,072	—	152,151,100	20,377,900	—	153,487,000	27,354,600	—
Closing Balance	13,305,189	3,259,933	—	14,596,889	4,503,833	—	13,094,089	2,152,433	—
GRAND TOTAL	166,432,580	36,741,005	—	166,747,989	24,881,733	—	166,581,089	29,507,033	—

E. Gay,
Comptroller General.

E. J. Sinkinson,
Secretary to the Government of India.

at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL CONTRACTS.

LOCAL BALANCES.

of Deposits and Advances upon Local Fund Accounts.

Bengal.	North Western Provinces and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
553,034	396,893	376,617	1,117,462	782,034	3,789,351
—	47,149	30,177	130,720	61,823	343,140
57,400	—	—	—	—	58,022
495,634	444,042	406,794	1,248,182	843,857	4,074,469
495,634	444,042	406,794	1,248,182	843,857	4,074,469
92,700	83,400	39,800	82,600	30,800	385,100
—	—	—	—	—	32,600
588,334	527,442	446,594	1,330,782	874,657	4,426,969
588,334	527,442	446,594	1,330,782	874,657	4,426,969
—	7,700	—	—	—	7,700
31,000	—	47,300	223,100	299,800	765,400
557,334	535,142	399,294	1,107,682	574,857	3,669,269

E. Gay,
Comptroller General.

E. J. Sinkinson,
Secretary to the Government of India.

5.—STATEMENT of NET REVENUE and EXPENDITURE.—ENGLAND and INDIA.

NET REVENUE.

	ACCOUNTS, 1888-89.				
	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Land Revenue	23,016,404	46,147	22,970,257	3,513,957	19,456,300
Opium	8,562,319	49	8,562,270	2,597,905	5,964,365
Salt	7,675,634	45,337	7,630,297	412,979	7,217,318
Stamps	3,927,088	43,761	3,883,327	154,172	3,729,155
Excise	4,705,346	26,406	4,678,940	137,941	4,540,999
Provincial Rates	3,054,254	16,880	3,037,374	59,383	2,977,991
Customs	1,332,784	30,923	1,301,861	133,897	1,167,964
Assessed Taxes	1,520,940	16,298	1,504,642	27,128	1,477,514
Forest	1,349,047	1,863	1,347,184	792,000	555,184
Registration	331,712	954	330,758	193,681	137,077
Tributes from Native States	745,233	- -	745,233	- -	745,233
	56,220,761	228,618	55,992,143	8,023,043	47,969,100
Deduct,—Assignments and Compensations	- -	- -	- -	- -	1,486,235
TOTAL NET REVENUE	- -	- -	- -	- -	46,482,865

NET EXPENDITURE.

	ACCOUNTS, 1888-89.		
	Gross Expenditure.	Receipts.	Net Expenditure.
	Rx.	*Rx.*	*Rx.*
Interest	4,712,259	841,822	3,870,437
Post Office, Telegraph, and Mint	2,146,511	2,244,826	—98,315
Civil Departments	13,013,543	1,507,961	11,505,582
Miscellaneous Civil Charges	4,884,376	1,792,778	3,091,598
Famine Relief and Insurance	78,336	- - -	78,336
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	22,401	- - -	22,401
Railway Revenue Account	17,754,088	15,520,696	2,233,392
Irrigation	2,622,964	1,900,718	722,246
Buildings and Roads	5,310,732	604,753	4,705,979
Army Services	20,301,841	1,062,363	19,239,478
Special Defence Works	789,595	- - -	789,595
	71,636,646	25,475,917	46,160,729
Provincial and Local Surpluses and Deficits	+ 343,140 — 58,022	- - -	+ 285,118
TOTAL NET EXPENDITURE	- - -	- - -	46,445,847
Surplus (+) or Deficit (—)	- - -	- - -	+ 37,018
			46,482,865

Fort William, Department of Finance and Commerce,
21 March 1890.

E. W. Kellner,
Deputy Comptroller General.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—ENGLAND and INDIA.

NET REVENUE.

REVISED ESTIMATE, 1889-90.					BUDGET ESTIMATE, 1890-91.				
Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
23,817,300	54,400	23,762,900	3,632,900	20,130,000	23,874,400	42,200	23,832,200	3,713,400	20,118,800
8,546,400	100	8,546,300	1,655,500	6,890,800	8,203,300	100	8,203,200	2,304,800	5,898,400
8,192,500	35,200	8,157,300	420,900	7,736,400	8,233,500	36,500	8,197,000	453,000	7,744,000
4,060,500	45,000	4,015,500	134,700	3,880,800	4,034,900	45,300	3,989,600	143,100	3,846,500
4,837,400	29,000	4,808,400	154,200	4,654,200	4,844,500	27,200	4,817,300	172,600	4,644,700
3,345,800	7,900	3,337,900	54,900	3,283,000	3,349,400	7,400	3,342,000	43,500	3,298,500
1,487,300	48,700	1,438,600	134,500	1,304,100	1,561,100	44,000	1,517,100	138,600	1,378,500
1,567,100	15,300	1,551,800	28,000	1,523,800	1,558,700	13,900	1,544,800	31,200	1,513,600
1,446,400	2,500	1,443,900	815,700	628,200	1,414,400	1,900	1,412,500	847,900	•564,600
346,700	900	345,800	192,800	153,000	345,500	1,100	344,400	194,800	149,600
777,400	- -	777,400	- -	777,400	776,200	- -	776,200	- -	776,200
58,424,800	239,000	58,185,800	7,224,100	50,961,700	58,195,900	219,600	57,976,300	8,042,900	49,933,400
- -	- -	- -	- -	1,551,400	- -	- -	- -	- -	1,513,000
- -	- -	- -	- -	49,410,300	- -	- -	- -	- -	48,420,400

NET EXPENDITURE.

REVISED ESTIMATE, 1889-90.			BUDGET ESTIMATE, 1890-91		
Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
4,262,300	867,700	3,394,600	4,296,300	789,900	3,506,400
2,205,100	2,339,700	— 134,600	2,328,600	2,423,400	— 94,800
13,282,500	1,518,700	11,763,800	13,596,800	1,521,500	12,075,300
4,848,700	1,325,500	3,523,200	4,945,400	1,243,000	3,702,400
607,500	- - -	607,500	600,000	- - -	600,000
5,900	- - -	5,900	4,800	- - -	4,800
18,406,900	16,503,300	1,903,600	19,017,900	17,151,400	1,866,500
2,709,300	1,985,300	724,000	2,739,400	2,035,000	704,400
5,439,400	649,200	4,790,200	5,717,300	589,400	5,127,900
20,933,600	1,022,100	19,911,500	21,505,100	982,600	20,522,500
758,400	- - -	758,400	892,300	- - -	892,300
73,459,600	26,211,500	47,248,100	75,643,900	26,736,200	48,907,700
+ 385,100 — 32,600	- - -	+ 352,500	+ 7,700 — 765,400	- - -	— 757,700
- - -	- - -	47,600,600	- - -	- - -	48,150,000
- - -	- - -	+ 1,809,700	- - -	- - -	+ 270,400
- - -	- - -	49,410,300	- - -	- - -	48,420,400

E. Gay,
Comptroller General.

E. J. Sinkinson,
Secretary to the Government of India.

APPENDIX III.

CONTENTS.

		PAGES
TABLE I.	Miscellaneous	66
„ II.	Sea-borne Trade for the Year	68
„ III.	Sea-borne Trade for the first Eleven Months of the Year	69
„ IV.	Wholesale Prices of Typical Commodities in Gold and Silver in London and Calcutta in December in each Year	72
„ V.	Statement showing the true Financial Results to the Revenues of India of the Guarantee of Interest upon the Capital of Guaranteed Railway Companies	73
„ VI.	Actual Capital Expenditure on State Railways in 1888–89, and Estimated Expenditure on such Works in 1889–90 and 1890–91, and to end of 1890–91	74
„ VII.	Capital Expenditure on Irrigation—Major Works, in 1888–89, and Estimated Expenditure on such Works in 1889–90, 1890–91, and to the end of 1890–91, &c.	76
„ VIII.	Gross Receipts, Working Expenses, and Net Traffic Receipts, of Guaranteed and State Railways, for Five Years ending 1888–89, with Revised Estimates for 1889–90, and Budget Estimates for 1890–91	77
„ IX.	Gross Receipts, Working Expenses, and Net Earnings, of Irrigation—Major Works, for Five Years ending 1888–89, with Revised Estimate for 1889–90, and Budget Estimate for 1890–91	79
„ X.	Abstract of Budget Estimates of Capital Transactions of Guaranteed and Subsidised Railways, 1889–90 and 1890–91	81

APPENDIX III.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1881-82.	1882-83.	1883-84.	
Recorded Revenue compared with the recorded Expenditure, excluding Capital Expenditure on Public Works not charged against Revenue:	*Rx.*	*Rx.*	*Rx.*	
Surplus	3,595,451	674,837	1,879,707	1
Deficit	-	-	-	2
Capital Expenditure on Public Works not charged against Revenue.*	2,784,519	4,661,124	3,574,105	3
Net Public Debt incurred	—466,895	3,086,791	3,062,953	4
Net Public Debt incurred, including capital transactions with Guaranteed Railway and other Companies.	—952,204	4,683,410	2,219,364	5
Value of commodities exported, excluding Gold and Silver	81,968,000	83,485,000	88,176,000	6
Value of commodities imported, excluding Gold and Silver	49,113,000	52,096,000	55,279,000	7
Excess of Exports over Imports, excluding Gold and Silver	32,855,000	31,389,000	32,897,000	8
Net Imports of Gold	4,844,000	4,931,000	5,463,000	9
Net Imports of Silver	5,379,000	7,480,000	6,405,000	10
TOTAL Net Imports of Gold and Silver	10,223,000	12,411,000	11,868,000	11
Excess of Exports over Imports, including Gold and Silver	22,632,000	18,978,000	21,029,000	12
Grand Total Value of Imports and Exports of all kinds	143,450,001	150,076,000	157,344,000	13
	Rs.	*Rs.*	*Rs.*	
Secretary of State's Bills, &c., sold (rupees)	22,21,09,350	18,58,56,593	21,62,15,462	14
	£.	£.	£.	
Sterling equivalent received	18,412,429	15,120,521	17,599,805	15
Silver coined at the Indian Mints	2,186,275	6,508,457	3,663,400	16
Maximum price of an oz. Troy standard silver in London	52⅛	52 7/16 (June)	51 1/16 (Feb.)	17
Minimum - - ditto - - ditto	50⅝ (July)	50 (Dec.)	50 5/16 (May and June).	18
Average exchange upon Secretary of State's Bills, &c., sold per rupee.	1 *s.* 7·895 *d.*	1 *s.* 7·525 *d.*	1 *s.* 7·536 *d.*	19
Fixed rate of exchange for the adjustment of transactions between the Indian and Imperial Treasuries.	1 *s.* 8 *d.*	1 *s.* 8 *d.*	1 *s.* 7¾ *d.*	20
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta.	9 (Feb.)	10 (April)	9 (Mar.)	21
Minimum - - ditto - - ditto	4 (June)	4 (Sept.)	5	22
Maximum rate of discount at the Bank of England	6 (Feb.)	5 (Sept.)	4	23
Minimum - - ditto - - ditto	2½ (throughout first half-year).	3 (March)	3	24
	Rx.	*Rx.*	*Rx.*	
Maximum Money Balances of the three Presidency Banks	6,097,600 (July)	6,712,300 (Oct.)	5,556,700 (Aug.)	25
Minimum - - ditto - - ditto	3,546,700 (Dec.)	3,424,200 (April)	3,167,100 (Jan.)	26
Maximum price in Calcutta of Government 4 per cent. Rupee Securities.	106-6 (July)	102-4 (Feb.)	101-1 (April)	27
Minimum - - ditto - - ditto	99-8 (Aug.)	99 (Oct.)	94-8 (Feb.)	28
	Rx.	*Rx.*	*Rx.*	
Maximum amount outstanding on London Register of Rupee Securities enfaced for interest drafts.	21,525,400 (Feb.)	21,420,700 (Feb.)	21,405,500 (May)	29
Minimum - - ditto - - ditto	19,013,600 (April)	21,059,000 (Aug.)	20,626,200 (Aug.)	30
Maximum price in London of 4 per cent. (Rupee) Securities, in gold.	87 (July)	85 7/16 (May)	81⅞ (April)	31
Minimum - - ditto - - ditto	82⅛ (Sept.)	75½ (Dec.)	77⅛ (Jan.)	32
Maximum price in London of India 3½ per cent. stock	104⅛ (May)	102¾ (Jan.)	103⅛ (Nov.)	33
Minimum - - ditto - - ditto	99½ (Oct.)	99 (July)	101½ (June)	34
Maximum price in London of India 3 per cent. Stock	-	-	-	35
Minimum - - ditto - - ditto	-	-	-	36
	Rx.	*Rx.*	*Rx.*	
Maximum Government Paper Currency outstanding	14,225,600 (Aug.)	16,254,400 (Nov.)	14,485,700 (Oct.)	37
Minimum - - ditto - - ditto	12,855,800 (April)	14,199,900 (April)	12,109,100 (Jan.)	38
Number of Savings Banks	361	4,587	5,553	39
Number of Depositors in Savings Banks	114,942	148,470	203,901	40
	Rx.	*Rx.*	*Rx.*	
Amount deposited in Savings Banks	3,272,649	3,616,405	4,005,930	41
Average of each deposit	28	24	20	42
Net addition to deposits	82,715	343,756	389,525	43

* Excludes Capital charge involved in redemption of Liabilities.

APPENDIX III.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1884–85.	1885–86.	1886–87.	1887–88.	1888–89.	Revised Estimate, 1889–90.	Budget, 1890–91.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
1	- - -	- - -	178,427	- - -	37,018	1,809,700	270,400
2	386,446	2,801,726	- - -	2,028,832	—	—	—
3	4,226,613	5,275,364	5,670,484	2,784,824	1,638,001	3,468,100	3,750,000
4	1,193,924	3,584,979	9,727,538	5,435,799	13,487,881	5,077,400	6,359,000
5	801,966	7,735,903	9,043,165	4,861,672	9,456,342	3,374,300	4,158,500
6	83,255,000	83,881,000	88,470,000	90,544,000	97,049,000	—	—
7	55,703,000	55,656,000	61,777,000	65,005,000	69,440,000	—	—
8	27,552,000	28,225,000	26,693,000	25,539,000	27,609,000	—	—
9	4,672,000	2,763,000	2,177,000	2,992,000	2,814,000	—	—
10	7,246,000	11,607,000	7,156,000	9,229,000	9,247,000	—	—
11	11,918,000	14,370,000	9,333,000	12,221,000	12,061,000	—	—
12	15,634,000	13,855,000	17,360,000	13,318,000	15,548,000	—	—
13	154,817,000	156,123,000	163,021,000	170,979,000	182,119,000	—	—
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*		
14	17,10,22,119	13,53,25,369	16,70,03,150	21,81,23,993	20,89,91,221	—	—
	£.	£.	£.	£.	£.	£.	£.
15	13,758,909	10,292,692	12,136,279	15,358,577	14,262,859	15,400,900	14,989,000
16	5,794,232	10,285,567	4,616,537	10,788,425	7,282,255	—	—
17	51 (April)	50 5/16 (May)	47 1/8 (Jan.)	45 3/8 (Dec.)	44 7/16 (Sept.)	44 7/8 (Jan.)	—
18	48 7/8 (Feb.)	46 7/16 (Jan.)	42 (Aug.)	43 (Mar.)	41 1/4 (May)	41 5/16 (May)	—
19	1 *s.* 7·308 *d.*	1 *s.* 6·254 *d.*	1 *s.* 5·441 *d.*	1 *s.* 4·898 *d.*	1 *s.* 4·379 *d.*	1 *s.* 4·552 *d.*	1 *s.* 4·552 *d.*
20	1 *s.* 7½ *d.*	1 *s.* 7¼ *d.*	1 *s.* 6¼ *d.*	1 *s.* 6 *d.*	1 *s.* 5 *d.*	1 *s.* 4½ *d.*	1 *s.* 5 *d.*
21	11 (April and May)	9 (May)	8 (June, July, Feb. and March)	9 (April and May)	(12 Feb. & Mar.)	11 (Feb. and Mar.)	—
22	3 (Nov. and Dec.)	4 (From July to Jan.)	5 (Nov., Dec., & Jan.)	3 (Oct. to Dec.)	4 (May to Sept.)	4 (June July & Oct.)	—
23	5 (Nov., Dec. & Jan.)	4 (Dec.)	5 (Dec. and Jan.)	4 (Sept. to Jan.)	5 (Oct. to Jan.)	6 (Jan. and Feb.)	—
24	2 (June to Sept.)	2 (May to Nov.)	2 (April & May)	2 (April to Aug.)	2 (April & May)	2½ (April to July)	—
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	
25	5,731,200 (Nov.)	6,486,800 (Dec.)	4,594,600 (June)	3,595,900 (Feb. & Mar.)	4,385,500 (June)	4,164,800 (June)	—
26	2,991,900 (May)	3,638,800 (May)	3,296,500 (Sept.)	2,861,500 (Dec.)	2,791,900 (Nov.)	2,856,900 (Nov.)	—
27	101–12 (June)	99–14 (July)	98–2 (Sept.)	100 (Oct.)	101–1 (Sept.)	100–10 (July)	—
28	94–12 (March)	91–12 (May)	95 (Feb.)	95–4 (April)	96–6 (Jan.)	96–3 (Jan.)	—
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	
29	21,008,000 (May)	20,562,400 (April)	19,710,300 (Oct.)	20,816,000 (March)	21,878,500 (Oct.)	21,970,300 (Nov.)	—
30	20,594,300 (Feb.)	19,179,300 (Jan.)	19,056,200 (Mar.)	18,919,500 (Oct.)	20,978,300 (April)	21,611,400 (Feb.)	—
31	82½ (May)	78½ (July)	73½ (Nov.)	70 7/8 (Sept.)	69¼ (Sept.)	70½ (Jan.)	—
32	74 (March)	71¾ (Jan.)	65 1/8 (Aug.)	67 (April)	65½ (May)	66⅛ (Sept.)	—
33	107¾ (Sept.)	102½ (Aug.)	102 (May)	108 (Mar.)	108¾ (Mar.)	109¾ (May)	—
34	97½ (Mar.)	97 (April)	100¼ (Sept.)	100½ (Sept.)	104 (Oct.)	106⅜ (Dec.)	—
35	96½ (Sept.)	91¼ (Feb.)	90 (April)	99⅝ (Mar.)	100⅜ (Feb.)	102 (Aug.)	—
36	88½ (Mar.)	85 (July)	85 (Feb.)	87¾ (April)	96 (May)	99 (April)	—
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	
37	15,762,700 (Nov.)	15,713,500 (Oct.)	14,678,200 (Nov.)	18,610,300 (Nov.)	18,055,300 (July)	16,667,700 (Nov.)	—
38	12,342,500 (April)	13,017,900 (April)	13,779,400 (April)	13,903,200 (May)	14,829,800 (Feb.)	15,466,500 (Dec.)	—
39	5,860	6,198	6,230	6,152	6,237	—	—
40	243,268	263,196	289,277	332,176	383,471	—	—
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*		
41	4,687,082	5,081,183	5,795,249	6,675,571	7,622,544	—	—
42	19	19	20	20	20	—	—
43	681,152	394,101	714,066	880,322	946,973	—	—

APPENDIX III.—*continued.*

TABLE II.—SEA-BORNE TRADE for the YEAR. (Principal ARTICLES arranged in Order of their DECLARED VALUE.)

No.	EXPORTS.		1884–85.	1885–86.	1886-87.	1887–88.	1888–89.
1	Cotton—						
	Raw:						
	Quantity	*Cwt.*	5,066,057	4,189,718	5,432,648	5,374,542	5,331,536
	Value	*Rx.*	13,286,367	10,777,204	13,468,429	14,412,842	15,045,648
	Average declared value per lb. — *Annas*	-	*As.* 3 9	*As.* 3 8	*As.* 3 6	*As.* 3 10	*As.* 4 –
	Average declared value per lb. — *Pence, at average exchange*	-	4·53	4·18	3·81	4·05	4·09
	Twist and Yarn:						
	Quantity	*Lbs.*	65,897,183	78,241,771	91,804,244	113,451,375	128,906,764
	Value	*Rx.*	2,441,101	2,755,252	3,336,861	4,077,386	5,207,100
	Average declared value per lb.	*Annas*	*As.* 5 11	*As.* 5 8	*As.* 5 10	*As.* 5 9	*As.* 6 6
	Other Manufactures:						
	Value	*Rx.*	896,929	880,258	945,644	1,150,542	1,167,464
	Average declared value per yard — Grey or unbleached	*Annas*	*As.* 1 9	*As.* 1 9	*As.* 1 10	*As.* 1 10	*As.* 1 11
	Coloured, printed, or dyed	„	*As.* 4 10	*As.* 3 9	*As.* 4 7	*As.* 4 5	*As.* 4 7
	Percentage of manufactures on whole value exported	-	20·08	25·22	24·13	26·62	29·76
2	Opium:						
	Quantity	*Chests*	86,578	87,956	95,839	90,096	87,789
	Value	*Rx.*	10,882,606	10,735,518	11,077,669	10,067,764	10,508,081
	Average declared value per chest	*Rupees*	1,257	1,221	1,156	1,117	1,197
3	Jute:						
	Raw and manufactured—Value	*Rx.*	6,205,238	5,486,171	6,021,672	7,786,739	10,468,631
	Average declared value of raw jute per cwt. — *Rupees*	-	5 9 1	5 9 6	5 13 10	6 4 3	7 7 9
	Average declared value of raw jute per cwt. — *Shillings, at average exchange*	-	8·96	8·50	8·52	8·82	10·21
	Percentage of manufactures on whole value exported	-	24·88	20·61	19·13	22·43	24·56
4	Seeds:						
	Quantity	*Cwt.*	18,250,688	17,280,147	15,866,604	16,060,400	15,569,978
	Value	*Rx.*	10,745,203	9,948,350	9,198,560	9,385,024	9,561,756
	Average declared value of linseed, per cwt. — *Rupees*	-	5 9 10	5 13 1	5 15 9	5 13 8	5 15 8
	Average declared value of linseed, per cwt. — *Shillings, at average exchange*	-	9·03	8·85	8·70	8·24	8·16
5	Rice and Paddy:						
	Quantity	*Cwt.*	22,051,532	28,222,595	26,879,272	28,534,057	23,144,641
	Value	*Rx.*	7,192,198	9,247,126	8,836,827	9,291,686	7,915,409
	Average declared value of husked rice, per cwt. — *Rupees*	-	3 4 6	3 4 9	3 5 –	3 4 5	3 7 2
	Average declared value of husked rice, per cwt. — *Shillings, at average exchange*	-	5·28	5·01	4·81	4·61	4·71
6	Wheat:						
	Quantity	*Cwt.*	15,830,754	21,060,519	22,263,320	13,538,169	17,610,081
	Value	*Rx.*	6,309,140	8,002,350	8,625,864	5,562,373	7,522,676
	Average declared value per cwt. — *Rupees*	-	3 15 9	3 12 –	3 14 –	4 1 9	4 4 4
	Average declared value per cwt. — *Shillings, at average exchange*	-	6·41	5·78	5·68	5·79	5·83
7	Tea:						
	Quantity	*Lbs.*	64,162,055	68,784,249	78,702,857	87,514,505	97,011,112
	Value	*Rx.*	4,044,759	4,306,133	4,727,992	5,174,440	5,267,315
	Average declared value per lb. — *Annas*	-	*As.* 10 1	*As.* 10 –	*As.* 9 7	*As.* 9 6	*As.* 8 8
	Average declared value per lb. — *Shillings, at average exchange*	-	1·01	·95	·87	·84	·74
8	Hides and Skins:						
	Quantity	*No.*	29,164,677	32,376,309	31,860,787	30,914,151	32,357,166
	Value	*Rx.*	4,934,340	5,334,602	5,149,218	4,852,382	4,743,546
	Percentage of dressed or manufactured on whole value exported	-	42·07	43·91	45·40	52·07	55·11
9	Indigo:						
	Quantity	*Cwt.*	154,629	132,495	138,396	139,644	142,447
	Value	*Rx*	4,068,900	3,783,160	3,691,677	3,890,649	3,948,594
	Average declared value per cwt. — *Rupees*	-	263 2 3	285 8 6	266 11 11	278 9 9	277 3 1
	Average declared value per cwt. — *Sterling, at average exchange*	£.	21·17	21·72	19·38	19·62	18 92
10	Coffee:						
	Quantity	*Cwt.*	328,317	371,027	370,458	273,775	365,299
	Value	*Rx.*	1,245,506	1,348,395	1,502,251	1,529,680	1,884,243
	Average declared value per cwt. — *Rupees*	-	37 15 –	36 5 6	40 8 10	55 14 –	51 9 4
	Average declared value per cwt. — *Shillings, at average exchange*	-	61·05	55·28	58·94	78·68	70·41
11	Wool:						
	Raw and manufactured—Value	*Rx.*	831,919	953,069	985,484	1,086,404	1,090,858
	Average declared value of raw wool per lb. — *Annas*	-	*As.* 6 –	*As.* 6 –	*As.* 6 2	*As.* 6 6	*As.* 7 1
	Average declared value of raw wool per lb. — *Pence, at average exchange*	-	7·24	6·85	6·72	6·86	7·25
12	Silk:						
	Raw and manufactured—Value	*Rx.*	792,354	661,835	802,443	860,107	807,238
	Average declared value of raw silk per lb. — *Rupees*	-	2 15 4	2 4 11	3 – 11	2 15 4	2 7 1
	Average declared value of raw silk per lb. — *Shillings, at average exchange*	-	4·76	3·51	4·44	4·17	3·33
13	Teak Wood:						
	Quantity	*Cubic Tons*	47,556	50,076	23,946	40,446	52,609
	Value	*Rx.*	532,129	550,515	223,154	367,274	575,263
	Average declared value per cubic ton — *Rupees*	-	111 14 4	109 15 –	93 3 1	90 12 11	109 5 7
	Average declared value per cubic ton — *Sterling, at average exchange*	£.	9·00	8·36	6·77	6·39	7·46
14	Sugar:						
	Value	*Rx.*	546,069	525,412	504,803	465,829	550,339
15	Oils:						
	Value	*Rx.*	534,041	395,563	458,812	471,055	430,306
16	Saltpetre:						
	Quantity	*Cwt.*	451,917	402,174	397,572	386,396	420,503
	Value	*Rx.*	425.000	370,200	376,091	364,016	401,801
	Average declared value per cwt. — *Rupees*	-	9 6 6	9 3 3	9 7 4	9 6 9	9 8 11
	Average declared value per cwt. — *Shillings, at average exchange*	-	15·14	14·00	13·75	13·27	13·04
17	Lac:						
	Value	*Rx.*	599,399	588,286	520,169	501,888	401,078

APPENDIX III.—*continued.*

TABLE II.—Sea-borne Trade for the Year, &c.—*continued.*

No.	IMPORTS.	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.
1	Cotton—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	45,801,397	45,916,126	49,014,194	51,543,277	52,587,342
	Value - - - - - - - - - *Rx.*	3,360,540	3,172,178	3,318,404	3,582,033	3,746,983
	Average declared value per lb. *Annas* - - - - - -	11·74	11·05	10·83	11·12	11·4
	Average declared value per lb. *Pence, at average exchange* - -	1 *s.* 2·17 *d.*	1 *s.* 0·6 *d.*	11·8 *d.*	11·74 *d.*	11·67 *d.*
	Other Manufactures:					
	Value - - - - - - - - - *Rx.*	21,207,106	21,124,848	25,853,827	23,930,241	27,773,247
	TOTAL COTTON GOODS—Gross Imports - *Rx.*	24,567,646	24,297,026	29,172,231	27,512,274	31,520,230
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	*958,419*	*1,082,610*	*1,319,248*	*1,058,963*	*1,601,596*
	Value - - - - - - - - - *Rx.*	*65,516*	*66,903*	*81,146*	*69,345*	*111,514*
	Other Manufactures:					
	Value - - - - - - - - - *Rx.*	*1,183,088*	*1,368,715*	*1,490,700*	*1,648,312*	*1,705,167*
	Total Re-exports - *Rx.*	*1,248,604*	*1,435,018*	*1,571,846*	*1,717,657*	*1,816,681*
	TOTAL COTTON GOODS—Net Imports - *Rx.*	23,319,042	22,862,008	27,600,385	25,794,617	29,703,549
2	Metals - - - - - - - - - *Value Rx.*	4,978,577	4,986,307	4,845,736	5,575,392	4,406,283
3	Railway plant and rolling stock - - - - „	2,830,082	4,317,565	3,327,832	3,826,264	3,693,939
4	Silk (Raw and Manufactured) - - - - - „	2,020,917	1,830,960	2,177,111	2,918,139	2,588,105
5	Machinery and mill-work - - - - - „	1,570,824	1,057,833	1,429,764	1,860,583	2,409,737
6	Oils - - - - - - - - - - „	1,229,497	961,130	1,408,430	1,486,791	2,072,825
7	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - - - - - - *Tons*	713,972	770,517	740,155	821,626	843,743
	Value - - - - - - - - - *Rx.*	1,199,739	1,249,710	1,258,793	1,599,593	1,921,831
	Average declared value per ton *Rupees* - - - - - -	16·8	16·22	17·01	19·47	22·78
	Average declared value per ton *Shillings, at average exchange* - -	27·03	24·67	24·72	27·42	31·09
8	Sugar - - - - - - - - - *Value Rx.*	2,140,838	1,458,097	2,080,540	2,113,617	1,790,939
9	Woollen Manufactures - - - - - - „	1,326,669	1,463,023	1,660,905	1,823,358	1,712,548
10	Provisions - - - - - - - - „	1,103,321	1,191,881	1,179,474	1,504,436	1,588,103
11	Liquors - - - - - - - - - „	1,360,280	1,387,143	1,474,643	1,506,667	1,508,962
12	Apparel - - - - - - - - - „	890,923	956,097	1,001,848	1,156,152	1,156,469
13	Salt:					
	Quantity - - - - - - - - - *Tons*	412,839	363,088	416,592	423,897	398,810
	Value - - - - - - - - - *Rx.*	649,233	596,048	768,987	795,521	882,130
	Average declared value per ton - *Rupees* - - - - - -	15·73	16·42	18·46	18·77	22·12
	Average declared value per ton - *Shillings, at average exchange* - -	25·31	24·97	26·83	26·43	30·19
14	Spices - - - - - - - - - *Value Rx.*	602,165	718,678	663,845	931,518	855,228

TABLE III.—SEA-BORNE TRADE for the first ELEVEN MONTHS of the Year. (Principal ARTICLES arranged in Order of their DECLARED VALUE.)

	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Value of commodities Exported, excluding gold and silver	74,380,930	79,157,402	81,366,106	86,405,227	92,290,489
Value of commodities Imported, excluding gold and silver	50,404,672	56,029,666	58,544,193	63,363,187	62,702,394
EXCESS EXPORTS - - *Rx.*	23,976,258	23,127,736	22,821,913	23,042,040	29,588,095
Net Imports of silver - - - - - - - -	10,180,734	6,158,858	8,061,245	7,049,564	9,064,276
Net Imports of gold - - - - - - - -	2,369,208	1,730,585	2,951,713	2,300,924	4,431,692
TOTAL NET IMPORTS of Gold and Silver - - *Rx.*	12,549,942	7,889,443	11,012,958	9,350,488	13,495,968
GRAND TOTAL IMPORTS AND EXPORTS OF ALL KINDS - - - - - *Rx*	139,521,800	146,442,972	153,822,459	162,375,711	172,008,999

APPENDIX III.—*continued.*

TABLE III.—Sea-borne Trade for the first Eleven Months of the Year, &c.—*continued.*

No.	EXPORTS.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1885 86.	1886-87.	1887-88.	1888-89.	1889-90.
1	Cotton, Raw :					
	Quantity - - - - - *Cwt.*	3,387,909	4,536,417	4,657,287	4,343,723	5,069,912
	Value - - - - - *Rx.*	8,766,171	11,226,198	12,382,010	12,209,711	14,737,932
	Average value per lb. - - - *Rs.*	- 3 8	- 3 6	- 3 9	- 4 -	- 4 2
	Cotton Manufactures—					
	Twist and Yarn :					
	Quantity - - - - *Lbs.*	69,489,658	82,676,694	103,729,341	115,742,920	129,797,600
	Value - - - - - *Rx.*	2,445,421	3,018,559	3,717,994	4,670,186	5,271,136
	Average value per lb. - - *Rs.*	- 5 8	- 5 10	- 5 9	- 6 5	- 6 6
	Other Manufactures—Value - - *Rx.*	805,155	865,600	1,043,887	1,089,368	923,963
	TOTAL COTTON (Raw and Manufactured) - - *Rx.*	12,036,747	15,110,352	17,093,891	17,969,265	20,933,031
2	Jute (Raw and Manufactured) *Value Rx.*	5,016,489	5,430,353	7,259,139	9,722,431	10,692,867
3	Seeds :					
	Quantity - - - - - *Cwt.*	15,760,875	14,849,048	15,077,692	14,602,851	14,559,630
	Value - - - - - - *Rx.*	9,029,893	8,590,881	8,789,736	8,956,138	9,818,981
	Average value per cwt. - - *Rs.*	5 11 8	5 12 7	5 13 3	6 2 2	6 12 -
4	Opium :					
	Quantity - - - - - *Chests*	80,382	88,070	82,613	79,069	79,417
	Value - - - - - - *Rx.*	9,822,278	10,191,881	9,232,336	9,460,586	9,483,369
	Average value per chest - - *Rs*	1,221 15 2	1,157 4 -	1,117 8 8	1,196 8 -	1,194 2 -
5	Rice and Paddy :					
	Quantity - - - - - *Cwt.*	21,408,823	20,587,925	22,411,006	17,551,552	21,785,531
	Value - - - - - - *Rx.*	7,133,649	6,968,866	7,409,021	6,101,814	8,325,427
	Average value per cwt. - - *Rs.*	3 5 4	3 6 2	3 4 11	3 7 7	3 13 2
6	Wheat :					
	Quantity - - - - - *Cwt.*	20,216,178	21,659,241	13,031,489	16,826,208	13,407,061
	Value - - - - - - *Rx.*	7,685,963	8,373,563	5,348,318	7,165,307	5,616,613
	Average value per cwt. - - *Rs.*	3 12 10	3 13 10	4 1 9	4 4 2	4 3 -
7	Tea :					
	Quantity - - - - - *Lbs.*	67,827,916	77,543,424	86,831,319	95,823,643	100,815,411
	Value - - - - - - *Rx.*	4,245,219	4,665,307	5,137,612	5,209,695	5,150,257
	Average value per lb. - - - *Rs.*	- 10 -	- 9 8	- 9 6	- 8 8	- 8 2
8	Hides and Skins :					
	Quantity - - - - - *Cwt.*	963,103	875,558	770,128	757,970	712,347
	Value - - - - - - *Rx.*	4,659,631	4,561,806	4,291,598	4,273,509	4,104,798
	Average value per cwt. - - *Rs.*	48 6 1	52 1 8	55 11 7	56 6 1	57 10 -
9	Indigo :					
	Quantity - - - - - *Cwt.*	126,044	128,902	129,018	133,055	147,159
	Value - - - - - - *Rx.*	3,629,759	3,472,657	3,638,526	3,740,382	3,665,578
	Average value per cwt. - - *Rs.*	287 15 7	269 6 5	282 - 3	281 1 10	249 1 4
10	Wool (Raw and Manufactured) *Value Rx.*	853,955	917,475	992,513	1,005,633	1,125,579
11	Coffee :					
	Quantity - - - - - *Cwt.*	273,609	294,071	210,142	285,559	170,036
	Value - - - - - - *Rx.*	975,846	1,125,480	1,183,220	1,426,314	1,050,870
	Average value per cwt. - - *Rs.*	35 10 8	38 4 4	56 4 11	49 15 2	61 12 10
12	Sugar - - - - - *Value Rx.*	463,269	470,272	424,369	473,890	905,810
13	Silk (Raw and Manufactured) „ *Rx.*	602,723	702,303	763,774	713,041	814,335
14	Teak Wood :					
	Quantity - - - *Cubic Tons*	47,480	21,607	36,409	48,476	65,733
	Value - - - - - - *Rx.*	524,417	200,158	323,902	531,616	704,931
	Average value per cubic ton - *Rs.*	110 7 2	92 10 2	88 15 5	109 10 8	107 3 10
15	Oils - - - - - *Value Rx.*	352,454	406,925	417,470	381,316	507,776
16	Lac - - - - - - „ *Rx.*	529,711	458,583	458,524	353,398	410,716
17	Saltpetre :					
	Quantity - - - - *Cwt.*	370,623	350,257	349,351	387,800	367,240
	Value - - - - - - *Rx.*	340,199	329,148	329,515	369,517	357,642
	Average value per cwt. - - *Rs.*	9 2 10	9 6 4	9 6 11	9 8 5	9 11 10

APPENDIX III.—*continued*

TABLE III.—Sea-borne Trade for the first Eleven Months of the Year, &c.—*continued.*

No.	IMPORTS.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1885–86.	1886–87.	1887–88.	1888–89.	1889–90.
1	COTTON—					
	Twist and Yarn:					
	Quantity - - - - *Lbs.*	41,038,974	43,504,229	46,098,900	48,244,135	41,803,272
	Value - - - - - *Rx.*	2,852,513	2,960,518	3,189,532	3,446,025	3,152,378
	Average value per lb. - - *Rs.*	- 11 1	- 10 11	- 11 1	- 11 5	- 12 1
	Ditto - in sterling, at average exchange.	1 *s.* - $\frac{3}{8}$ *d.*	1 *s.*	11$\frac{1}{4}$ *d*	11$\frac{3}{4}$ *d.*	1 *s.* - $\frac{1}{2}$ *d.*
	Other Manufactures - *Value Rx.*	18,973,701	23,578,344	21,593,462	25,234,768	23,682,711
	TOTAL COTTON GOODS— Gross Imports - - *Rx.*	21,826,214	26,538,862	24,782,994	28,680,793	26,835,089
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - Lbs.	*1,008,115*	*1,252,289*	*910,704*	*1,525,894*	*1,132,134*
	Value - - - - - Rx.	*61,632*	*76,695*	*58,858*	*105,981*	*81,041*
	Average Value per lb. - - Rs.	*- 9 9*	*- 9 10*	*- 10 4*	*- 11 1*	*- 11 5*
	Other Manufactures - Value Rx.	*1,267,783*	*1,351,181*	*1,481,772*	*1,537,878*	*1,615,814*
	Total Re-exports - - - Rx.	*1,329,415*	*1,427,876*	*1,540,630*	*1,643,859*	*1,696,855*
	TOTAL COTTON GOODS— Net Imports - - *Rx.*	20,496,799	25,110,986	23,242,364	27,036,934	25,138,234
2	Metals - - - - *Value Rx.*	4,502,923	4,262,191	4,952,260	3,946,321	5,439,082
3	Silk (Raw and Manufactured) - „	1,732,387	2,000,998	2,688,346	2,399,490	2,645,654
4	Railway Plant and Rolling Stock. „	3,854,058	3,117,919	3,322,923	3,504,251	2,623,812
5	Oils - - - - - - „	821,644	1,235,681	1,337,586	1,889,829	2,374,903
6	Machinery and Millwork - „	979,235	1,252,302	1,649,858	2,184,992	2,289,343
7	Sugar - - - - - - „	1,379,888	1,959,382	1,848,829	1,581,145	1,933,883
8	Woollen Manufactures - - „	1,380,889	1,581,179	1,719,112	1,619,654	1,508,591
9	Provisions - - - - - „	1,104,391	1,081,645	1,389,890	1,472,321	1,491,663
10	Liquors - - - - - - „	1,264,426	1,317,065	1,349,099	1,374,460	1,337,960
11	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - *Tons*	679,475	648,651	708,599	756,732	567,019
	Value - - - - - *Rx.*	1,097,144	1,076,688	1,367,428	1,726,981	1,214,979
	Average Value per Ton - *Rs.*	16 2 4	16 9 7	19 4 9	22 13 2	21 6 10
12	Apparel - - - - *Value Rx.*	871,117	909,646	1,055,797	1,053,751	1,109,107
13	Spices - - - - - - „	659,516	608,298	845,118	755,248	799,192
14	Salt:					
	Quantity - - - - *Tons*	332,291	379,617	411,158	364,424	347,530
	Value - - - - - *Rx.*	542,266	695,295	760,708	805,274	754,468
	Average Value per Ton - *Rs.*	16 5 1	18 5 1	18 8 -	22 1 7	21 11 4

APPENDIX III.—*continued.*

TABLE IV.—WHOLESALE PRICES of TYPICAL COMMODITIES in GOLD and SILVER in *London* and *Calcutta* in December in each Year.

(Prices of March 1873 = 100.)

	Measured in Gold.								Measured in Silver.*							
In LONDON— (Prices quoted from the London "Economist"):	1882.	1883.	1884.	1885.	1886.	1887.	1888.	1889.	1882.	1883.	1884.	1885.	1886.	1887.	1888.	1889.
Scotch pig-iron (warrants)	41	36	36	35	37	37	35	50	49	42	43	45	48	49	50	68
Coals, Hetton, Wallsend (London).	54	54	52	51	51	49	51	63	65	63	62	66	67	66	71	86
Copper, Chili bars	73	65	54	45	43	95	87	55	87	76	64	58	56	127	121	75
Straits tin	64	58	52	64	69	115	68	67	76	68	62	81	89	153	95	92
Wheat	74	70	57	55	61	56	55	55	88	82	68	69	80	74	78	75
Flour, town-made	71	67	54	53	56	54	61	57	85	78	65	68	71	73	85	78
Beef, inferior	97	97	98	75	75	75	67	87	116	113	117	95	97	100	95	119
Cotton, No. 40, mule twist	70	69	70	64	60	62	65	64	84	81	83	82	77	84	91	88
Wool, Southdown hogs	59	61	52	51	59	55	54	59	71	71	63	65	76	73	75	80
Sugar, foreign Muscovado	62	64	44	60	42	56	53	45	74	75	52	77	55	75	75	61
Coffee	74	83	66	65	86	102	101	112	88	97	79	83	111	136	142	153
Saltpetre	90	87	81	78	77	77	77	78	108	102	97	100	99	103	107	107
Gold	–	–	–	–	–	–	–	–	119	117	119	127	130	134	140	137
Silver	84	85	84	79	77	75	71	73	–	–	–	–	–	–	–	–
In CALCUTTA—(Prices quoted from the "Calcutta Price Current"):																
Grey shirtings (8¼ lbs.)									75	74	76	80	81	79	81	76
Mule twist, white, good, No. 40									75	75	72	71	62	72	75	74
" " Turkey red No. 40 (12 lbs.)									55	65	58	57	58	58	57	57
" " Orange, No. 40—60									80	82	78	73	75	86	85	85
Copper, sheathing									79	77	65	58	65	90	90	69
Iron, flat, bolt, bar, and square									60	62	54	50	53	59	65	79
Spelter, hard									125	79	84	97	109	128	107	144
Hides, buffalo, slaughtered									87	72	71	77	80	69	74	Nom.
Indigo, good									101	116	103	110	72	82	98	76
Jute, picked									96	164	110	118	131	153	192	192
Lacdye, fine									27	–	–	–	–	–	–	–
Shell lac, fine orange									80	98	56	59	56	68	76	102
Linseed, fine, bold, clean									86	95	95	101	98	94	112	115
Rice, Ballam									109	138	139	176	106	118	147	165
Silk, raw, Cossimbazar									78	66	60	73	89	64	76	87
Tea, good Souchong									59	64	55	64	55	50	52	50
Wheat, Doodish									84	85	66	72	81	76	87	81
Gold									115	112	119	122	123	131	135	131

* The values measured in silver in London have been calculated from the values in gold on the basis of the price of standard silver in London.

APPENDIX III.—*continued.*

TABLE V.—STATEMENT showing the true Financial Results to the REVENUES of *India* of the Guarantee of Interest upon the Capital of GUARANTEED RAILWAY COMPANIES.

	1884–85.	1885–86.	1886–87.	1887–88.	1888–89.	1889–90. Budget Estimate.	1889–90. Revised Estimate.	1890–91. Budget Estimate.
	Miles.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open Mileage at end of official year.	4,528	* 3,921	3,896	3,912	† 3,241	3,219½	3,241	3,241
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Gross Traffic Receipts	7,606,685	7,809,537	7,280,512	7,241,465	7,403,415	6,917,500	6,475,000	6,662,000
Working Expenses	4,128,385	4,084,462	3,633,396	3,604,795	3,752,607	3,357,500	3,375,000	3,320,000
Percentage of Working Expenses on Receipts	54·27	52·30	49·91	49·78	50·68	48·54	52·12	49·83
Net Traffic Receipts	3,478,300	3,725,075	3,647,116	3,636,670	3,650,808	3,560,000	3,100,000	3,342,000
Net gain by the remittance to England of Capital Receipts and Disbursements in India at the contract rates of exchange, instead of at the average yearly rates obtained for the Secretary of State's bills	1,036	—	—	—	—	—	—	—
TOTAL Revenue	3,479,336	3,725,075	3,647,116	3,636,670	3,650,808	3,560,000	3,100,000	3,342,000
Gross Guaranteed Interest paid in India *Rx.*	29,650	49,767	10,648	25,595	6,672	30,100	10,200	8,600
Gross Guaranteed Interest paid in London £.	3,217,240	3,180,735	2,696,976	2,694,920	2,697,388	2,327,000	2,337,100	2,369,000
Total Guaranteed Interest (sterling payments converted at the average exchange of the year)	4,028,654	4,231,707	3,721,864	3,852,947	3,959,108	3,439,100	3,399,000	3,443,700
Surplus paid to Railway Companies	431,495	397,129	534,598	662,622	570,195	612,500	436,100	530,000
Land and Supervision	61,457	79,553	66,235	51,436	44,344	37,500	31,800	39,000
Interest on Revenue Balances	1,865	1,419	1,827	2,265	3,288	—	—	—
Net Loss on Receipts and Disbursements of Capital in India, calculated in the same way as the gain	- -	48,006	115,343	78,683	86,909	92,010	131,200	93,300
TOTAL Expenditure *Rx.*	4,523,471	4,757,814	4,439,867	4,647,953	4,663,844	4,181,110	3,998,100	4,106,000
Net Expenditure from the Public Treasury	1,044,135	1,032,739	792,751	1,011,283	1,013,036	621,110	898,100	764,000
Net Revenue	—	—	—	—	—	—	—	—

* The Scinde, Punjab, and Delhi Railway, 691 miles, was purchased by the State on 1st January 1886, and the mileage is shown under State Railways.

† The Oude and Rohilkund Railway, 692 miles, was purchased by the State on 1st January 1889, and the mileage is shown under State Railways.

APPENDIX III.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS in 1888–89, and ESTIMATED EXPENDITURE on such Works in 1889–90 and 1890–91, and to End of 1890–91.

RAILWAYS.	Accounts, 1888-89.	Revised Estimate, 1889–90.	Budget Estimate, 1890–91.	To End of 1890–91.	Sanctioned Outlay.	Balance remaining Unspent.
OPEN LINES.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	—3,611	200,600	30,000	14,423,724	14,423,724	—
Dildarnagar-Ghazipur	320	—70,600	--	—	—	—
Rajputana-Malwa	51,269	7,000	—6,600	9,304,594	9,304,594	—
Holkar	1,697	2,800	2,400	1,303,492	1,303,492	—
Rewari-Ferozepore	4,306	8,800	3,000	1,276,069	1,276,069	—
Bhopal	- -	- -	11,600	142,657	142,657	—
Wardha Coal	—2,895	260	20,000	728,584	728,584	—
Umaria Colliery	8,723	7,000	6,100	96,039	96,039	—
Burma	84,680	46,300	13,400	5,139,340	5,139,340	—
Tounghoo-Mandalay	757,006	63,920				
Jorhat	3,491	1,200	1,500	75,274	75,274	—
Cherra-Companygunj	1,620	850	750	77,754	77,754	—
Eastern Bengal	122,122	186,090	65,700	6,779,622	6,779,622	—
Assam-Behar—Tirhoot Section	76,868	15,860	15,100	2,134,373	2,134,373	—
Tirhoot	18,327					
Patna-Gya	6,171	3,000	2,400	438,046	438,046	—
Nalhati	735	—790	1,100	35,427	35,427	—
Kaunia-Dhurla	—1,080	—200	2,500	97,448	97,448	—
Oudh and Rohilkhand	—36,082	48,800	34,300	10,383,067	10,383,067	—
Cawnpore-Achnera	—6,134	5,400	2,000	1,149,617	1,149,617	—
Bareilly-Pilibhit	122	1,200	- -	153,286	153,286	—
Lucknow-Sitapur-Seramau	18,370	4,000	- -	393,372	393,372	—
North Western:						
Military requirements	6,510	83,200	40,000			
Ordinary works	—35,967	168,100				
Sind-Sagar—Western Section	180,369	25,000		31,957,565	31,957,565	—
Bolan (high level line)	91,464	—34,585	171,500			
Sind-Pishin (main line)	253,796	70,370				
Amritsar-Pathankot	485	1,650	- -	561,864	561,864	—
Villupuram-Guntakul—Nellore Branch	10,099	—4,000	5,000	637,675	637,675	—
South Indian	- -	- -	*5,695,000	*5,695,000	*5,695,000	—
Dhond and Manmad	2,468	1,350	2,300	1,101,562	1,101,562	—
Bezvada Extension	46,752	4,500	5,300	142,182	142,182	—
TOTAL	1,662,001	847,075	6,124,350	94,227,633	94,227,633	—
LINES UNDER CONSTRUCTION.						
Assam-Behar—Assam-Behar Section	225,425	122,660	50,000	1,204,861	‡1,226,667	21,806
Tirhoot—Durbhunga-Bairagnia Branch	- -	133,570	75,250	210,820	241,823	31,003
North Western:						
Gradient Improvements	6,436	30,000	63,600	183,327	†500,000	316,673
Mianwali-Mari Branch	- -	20,000	195,000	215,000	250,000	35,000
Mu Valley	- -	193,500	500,000	693,500	837,941	144,441
Chenab Bridge	203,526	200,200	1,500	414,437	427,000	12,563
Sind-Pishin—Chaman Extension—Construction	452,617	656,000	189,450	1,487,596	1,487,388	—208
Sind-Pishin—Petroleum Operations	8,085	7,700	—1,500	14,285	14,285	—
Jummu-Kashmir	12,867	13,400	3,000	29,267	32,500	3,233
Frontier Railway Reserve	—102,736	10,500	62,800	347,695	347,695	—
Villupuram-Guntakul	85,854	817,000	968,600	1,903,373	†2,561,418	658,045
Kistna Bridge	- -	400	- -	400	†300,000	299,600
East Coast	- -	- -	250,000	250,000	†5,800,000	5,550,000
Reserve	- -	- -	250,000	250,000	250,000	—
TOTAL	892,074	2,204,930	2,609,700	7,204,561	14,276,717	7,072,364 —208
Carried forward	2,554,075	3,052,005	8,734,050	101,432,194	108,504,350	7,072,364 —208

* Debt to be created for redemption of Share Capital £. 3,200,000
Amount of Capital to be retained by working Company 1,000,000
Debenture Stock to be taken over 425,000
Debentures to be taken over 1,070,000
£. 5,695,000

† Approximate Estimates.

‡ Revised Estimate under consideration.

APPENDIX III.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE ON STATE RAILWAYS, &c.—*continued.*

RAILWAYS.	Accounts, 1888-89.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.	To End of 1890-91.	Sanctioned Outlay.	Balance remaining Unspent.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward - - -	2,554,075	3,052,005	8,734,050	101,432,194	108,504,350	7,072,364 —208
LINES UNDER SURVEY.						
Hindupur Extension Survey - - -	370	—2,100	300	2,191	2,191	—
LINES IN ABEYANCE OR TRANSFERRED TO COMPANIES.						
Sindia - - - - - - - - -	—920,975	—	—	—	—	—
Katni-Umaria - - - - - - -	—485,681	—	—	—	—	—
Ranaghat-Bhagwangola - - - -	60	- -	- -	30,244	30,244	—
Southern Mahratta - - - - -	- -	- -	- -	*52,707	52,707	—
Bellary-Kistna - - - - - -	331	700	- -	1,655,596	1,655,596	—
Bilaspur-Etawah - - - - - -	- -	- -	- -	7,514	7,514	—
Vizagapatam Raipur - - - - -	- -	- -	- -	24,504	24,504	-
TOTAL - - -	—1,406,265	700	- -	1,770,565	1,770,565	—
Stores and Reserve - - - - -	52,332	—82,055	165,400	199,969	199,969	—
Nagpur-Chhattisgurh Depreciation Account -	- -	103,500	- -	103,500	103,500	—
GRAND TOTAL - - -	1,200,512	3,072,050	8,899,750	103,508,419	110,580,575	7,072,364 —208
Distributed as under :—						
Capital Expenditure on Public Works (not charged against Revenue) :						
State Railways—Construction -	1,178,111	3,066,200	8,895,000	94,662,191	—	—
Famine Relief and Insurance :						
Protective Railways - - - -	- -	- -	- -	2,933,979	—	—
Construction of Railways (charged against Revenue in addition to that under Famine Insurance) - - -	22,401	5,850	4,750	5,912,249	—	—
TOTAL as above - - -	1,200,512	3,072,050	8,899,750	103,508,419	—	—

* Represents depreciation on works and stores allowed by Government on transfer to the Company.

APPENDIX III.—*continued.*

TABLE VII.—CAPITAL EXPENDITURE on IRRIGATION—MAJOR WORKS, in 1888-89, and ESTIMATED EXPENDITURE on such Works in 1889-90, 1890-91, and to the End of 1890-91, &c.

	Accounts, 1888-89.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.	TOTAL Actual and Estimated Outlay to End of 1890-91.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be Spent.
IRRIGATION WORKS.						
CAPITAL EXPENDITURE NOT CHARGED AGAINST REVENUE.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Bengal.						
*Orissa Canals	62,344	32,500	45,668	2,431,896	3,110,213	678,317
*Midnapore Canal	266	3,000	2,632	832,233	832,233	—
*Hidgellee Tidal Canal	- -	6,300	31,000	216,849	256,464	39,615
*Sone Canals	14,845	11,100	15,700	2,555,269	2,788,870	233,601
North Western Provinces and Oudh.						
*Ganges Canal	6,282	7,784	13,845	2,683,632	2,923,442	239,810
*Lower Ganges Canal	93,716	67,858	79,983	3,168,459	3,272,332	103,873
*Agra Canal	4,558	3,835	4,487	850,543	871,670	21,127
*Eastern Jumna Canal	8,699	12,423	6,685	322,442	344,191	21,749
Punjab.						
Western Jumna Canal	16,840	7,100	2,700	1,060,558	1,078,050	17,492
Bari Doab Canal	14,324	10,000	17,200	1,593,986	1,579,860	*—14,126*
Sirhind Canal (State outlay)	29,243	8,100	4,930	2,246,571	2,226,440	*—20,131*
Chenab Canal	56,335	60,000	100,000	466,541	998,500	531,959
*Sirsa Branch Canal (State outlay)	-	14,400	52,670	67,070	289,269	222,199
Madras.						
Godavari Delta System	9,519	7,521	4,200	1,087,796	1,108,933	21,137
Kistna Delta System	52,849	51,097	42,800	928,149	1,391,978	463,829
Sangam Anicut System	6,880	5,020	3,200	300,008	306,500	6,492
Periyar Project	59,293	75,000	78,200	239,592	542,500	302,908
Bombay.						
Desert Canal	3,764	390	- -	121,832	123,479	1,647
Begari Canal	- -	- -	- -	162,561	162,561	—
Eastern Nara Works	7,645	8,940	10,766	517,411	527,670	10,259
†Mutha Canals	4,139	3,263	4,100	609,306	605,324	*—3,982*
Other projects	17,340	18,727	65,904	3,311,273	—	—
	468,881	414,358	586,670	25,773,977	—	—
Deduct,—Outlay incurred from ordinary revenues	*8,991*	12,458	36,670	*5,484,507*	—	—
TOTAL	459,890	401,900	550,000	20,289,470	—	—
FAMINE RELIEF AND INSURANCE.						
PROTECTIVE IRRIGATION WORKS.						
North Western Provinces and Oudh.						
Betwa Canal	3,279	2,700	2,570	397,847	425,141	27,294
Punjab.						
Swat River Canal	4,677	7,000	2,000	346,928	354,581	7,653
Madras.						
Rushikulya Project	26,072	32,500	35,000	174,049	260,139	86,090
Bombay.						
Nira Canal	36,083	30,982	23,700	486,284	487,938	1,654
Other projects	426	818	1,730	410,816	—	—
	70,537	74,000	65,000	1,815,924	—	—
Deduct,—Other outlay incurred from ordinary revenues	- -	- -	- -	*285,434*	—	—
TOTAL	70,537	74,000	65,000	1,530,490	—	—
GRAND TOTAL	530,427	475,900	615,000	21,819,960	—	—

* These works are constructed on the financial responsibility of the respective local governments.
† The further expenditure on this work will be met from ordinary revenues.

APPENDIX III.—*continued.*

TABLE VIII.—GROSS RECEIPTS, WORKING EXPENSES, and NET TRAFFIC RECEIPTS, of GUARANTEED and STATE RAILWAYS, for Five Years ending 1888-89, with REVISED ESTIMATES for 1889-90, and BUDGET ESTIMATES for 1890-91.

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.
GUARANTEED RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	4,636	4,528	* 3,921	3,896	3,912	† 3,241	3,241
Gross Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Eastern Bengal	82,325	—	—	—	—	—	—
Madras	716,965	760,952	794,264	821,527	861,715	920,000	925,000
South Indian	423,774	450,440	512,196	506,398	551,270	575,000	437,000
Bombay, Baroda, and Central India	1,221,595	1,318,202	1,343,613	1,227,163	1,300,596	1,290,000	1,300,000
Great Indian Peninsula	3,514,397	3,654,192	3,971,652	3,984,601	4,208,148	3,690,000	4,000,000
Oude and Rohilkund	517,633	571,517	658,787	701,776	481,686	—	—
Scinde, Punjab, and Delhi	1,129,996	1,054,234	—	—	—	—	—
TOTAL	7,606,685	7,809,537	7,280,512	7,241,465	7,403,415	6,475,000	6,662,000
Working Expenses.							
Eastern Bengal	85,153	—	—	—	—	—	—
Madras	424,121	439,380	504,611	513,922	498,676	515,000	515,000
South Indian	281,515	297,325	346,206	372,378	382,017	395,000	295,000
Bombay, Baroda, and Central India	550,449	543,498	562,972	520,158	559,640	555,000	550,000
Great Indian Peninsula	1,779,690	1,850,110	1,857,344	1,842,185	1,999,032	1,910,000	1,960,000
Oude and Rohilkund	307,793	367,053	362,263	356,152	313,242	—	—
Scinde, Punjab, and Delhi	699,664	587,096	—	—	—	—	—
TOTAL	4,128,385	4,084,462	3,633,396	3,604,795	3,752,607	3,375,000	3,320,000
Net Traffic Receipts.							
Eastern Bengal	—2,828	—	—	—	—	—	—
Madras	292,844	321,572	289,653	307,605	363,039	405,000	410,000
South Indian	142,259	153,115	165,990	134,020	169,253	180,000	142,000
Bombay, Baroda, and Central India	671,146	774,704	780,641	707,005	740,956	735,000	750,000
Great Indian Peninsula	1,734,707	1,804,082	2,114,308	2,142,416	2,209,116	1,780,000	2,040,000
Oude and Rohilkund	209,840	204,464	296,524	345,624	168,444	—	—
Scinde, Punjab, and Delhi	430,332	467,138	—	—	—	—	—
TOTAL	3,478,300	3,725,075	3,647,116	3,636,670	3,650,808	3,100,000	3,342,000
STATE RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	5,632	(*a*) 6,966	7,227	8,081	8,979	(*b*) 10,407	11,196
Gross Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	4,310,425	4,703,587	4,707,202	4,603,216	4,471,119	4,470,300	4,480,300
Rajputana-Malwa	1,399,592	1,665,023	1,688,259	1,698,296	1,903,833	1,940,000	1,925,000
Cawnpore-Achnera	92,930	95,819	130,092				
Sindia	36,833	39,408	39,183	45,739	37,080	7,100	—
Bhopal	1,281	2,643	3,505	4,976	5,512	7,900	12,500
Wardha Coal	67,822	64,820	74,742	78,021	88,442	82,000	71,000
Bengal-Nagpur	136,239	147,349	131,760	137,477	163,517	217,500	320,000
Katni-Umaria	—	—	3,326	8,125	—	—	—
Umaria Colliery	1,572	2,224	6,873	11,447	17,822	25,500	36,000
Burma	216,640	233,585	291,663	331,041	314,241	350,000	380,000
Tounghoo-Mandalay	—	—	—	—	31,901	157,500	180,000
Jorbat	383	3,624	3,911	4,968	5,964	6,000	6,000
Cherra-Companygunj	—	—	226	1,220	620	1,200	1,200
Eastern Bengal:							
Eastern Bengal	463,346	455,588	537,136				
Northern Bengal	216,628	233,920	262,401	958,431	1,070,589	1,145,000	1,150,000
Kaunia-Dhurla	15,676	12,981	14,543				
Dacca	2,559	12,723	27,997				
Tirhoot	124,972	128,026	159,921	180,506	170,854	220,000	225,000
Nalhati	7,638	7,880	8,654	9,405	10,459	10,100	10,100
Patna-Gya	51,793	51,750	53,645	52,887	49,895	51,900	51,500
Bengal Central	—	54,129	34,575	75,538	72,389	74,500	77,000
Oudh and Rohilkhund	—	—	—	—	174,788	785,000	820,000
Benares Branch	—	—	—	175	700		
Indian Midland	—	—	9,234	30,563	108,154	320,000	450,000
Dildarnagar-Ghazipur	4,673	4,650	4,738	4,833	4,604	—	—
Bareilly-Pilibhit	899	8,393	10,126	9,558	9,350	11,000	11,000
Lucknow-Sitapur-Seramau	—	—	1,656	18,305	25,428	31,400	37,500
North Western	1,126,401	1,808,224	2,373,245	2,188,185	2,573,190	2,865,000	2,700,000
Amritsar-Pathankot	19,956	28,985	§ 7,320	§ 7,350	§ 8,738	§ 10,100	§ 11,200
Jummu-Kashmir	—	—	—	—	—	—	—
South Indian	—	—	—	—	—	—	132,500
Villupuram-Guntakal	—	—	—	—	—	—	15,000
Villupuram-Guntakal—Nellore Branch	—	—	—	4,845	23,566	25,400	32,500
Bellary-Kistna	—	—	—	6,181	—	—	—
Dhond and Manmad ‖	20,427	22,062	23,376	22,734	25,545	24,900	25,000
Southern Mahratta	33,244	102,818	182,317	326,423	399,806	415,000	485,000
Mysore	—	—	37,401	51,481	59,014	98,500	123,000
Bezvada Extension	—	—	—	—	—	7,500	9,000
TOTAL	8,351,931	9,890,211	10,829,027	10,871,926	11,827,120	13,360,300	13,777,300

* The Scinde, Punjab, and Delhi Railway, 691 miles, was purchased by the State on 1st January 1886, and the mileage is shown under State Railways.

† The Bellary Branch of the Madras Railway, 33 miles in length, having been transferred to the Southern Mahratta Railway, the mileage is shown under State Railways.

‡ The Oude and Rohilkund Railway, 692 miles, was purchased by the State on 1st January 1889, and the mileage is shown under State Railways.

§ Net Receipts.

‖ The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.

(*a*) Includes one-fifth the length of the Bhopal Railway and the whole length of the Sind, Punjab, and Delhi Railway.

(*b*) Includes the length of the Oudh and Rohilkhund Railway.

APPENDIX III.—*continued.*

TABLE VIII.—RECEIPTS AND EXPENSES OF RAILWAYS, &c.—*continued.*

	ACCOUNTS					Revised Estimate,	Budget Estimate,
	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.
STATE RAILWAYS—*continued.*							
Working Expenses.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	1,829,235	1,882,269	1,721,762	1,662,581	1,689,946	1,650,000	1,640,000
Rajputana-Malwa	772,169	897,238	899,803	907,154	970,424	1,025,000	1,012,500
Cawnpore-Achnera	68,492	79,222	80,728				
Sindia	19,572	19,440	19,472	21,322	17,703	3,400	14,500
Bhopal	1,746	3,731	2,556	4,467	4,977	7,900	11,000
Wardha Coal	47,603	51,594	59,627	68,028	61,323	57,000	55,000
Bengal-Nagpur	80,480	94,705	80,370	86,760	127,058	166,000	220,000
Katni-Umaria	—	—	2,588	9,600	—	—	—
Umaria Colliery	1,379	9,265	8,149	2,634	20,363	22,500	28,000
Burma	134,468	174,769	173,250	175,841	189,876	202,500	205,000
Tounghoo-Mandalay	—	—	—	—	32,545	123,500	130,000	
Jorhat	725	4,229	5,376	6,441	5,707	6,000	5,800
Cherra Companygunj	—	—	2,361	3,716	2,116	2,600	2,200
Eastern Bengal:							
Eastern Bengal	197,262	298,637	326,752				
Northern Bengal	152,031	149,034	141,174	481,139	490,105	505,000	510,000
Kumia-Dhurla	11,980	11,019	11,229				
Dacca	707	18,458	28,699				
Tirhoot	96,847	91,558	98,583	106,156	96,254	95,500	100,000
Nalhati	7,213	6,678	6,711	6,192	8,541	7,600	8,000
Patna-Gya	29,825	27,179	27,898	24,613	23,786	24,600	24,500
Bengal Central	—	54,713	43,351	67,611	51,147	47,000	54,000
Oudh and Rohilkhund	—	—	—	—	54,568	350,000	360,000
Benares Branch	—	—	—	69	80		
Indian Midland	—	—	8,199	20,098	69,512	217,500	280,000
Dildarnagar-Ghazipur	2,727	2,436	2,461	2,245	2,195	—	—
Bareilly-Pilibhit	1,385	6,113	7,675	6,766	6,592	7,500	7,500
Lucknow-Sitapur-Seramau	—	—	1,207	14,998	18,153	20,800	22,500
North Western	600,255	845,651	1,316,886	1,633,529	1,742,526	1,830,000	1,830,000
Amrit ar-Pathankot	17,535	24,171	— 2,218	—	—	—	—
Jammu-Kashmir	—	—	—	—	—	—	—
South Indian	—	—	—	—	—	—	82,500
Villupuram-Guntakal	—	—	—	—	—	—	10,000
Villupuram-Guntakal—Nellore Branch	—	—	—	9,154	27,060	18,500	25,000
Bellary-Kistna	—	—	—	8,519	—	—	—
Dhond and Manmad	—	—	—	—	—	—	—
Southern Mahratta	33,188	81,302	125,596	222,138	298,965	312,500	315,000
Mysore	—	—	20,144	42,426	47,744	87,000	96,500
Bezvada Extension	—	—	—	—	—	5,800	6,500
Exchange	38,795	—	—	—	—	—	—
TOTAL	4,145,614	4,833,411	5,219,889	5,594,187	6,059,256	6,795,700	7,096,000
Net Traffic Receipts.							
East Indian	2,481,190	2,821,318	2,985,440	2,940,635	2,781,173	2,820,300	2,840,300
Rajputana-Malwa	627,423	767,785	788,956	791,142	933,409	915,000	912,500
Cawnpore-Achnera	24,438	16,597	49,364				
Sindia	17,261	19,968	19,711	24,417	19,377	3,700	— 14,500
Bhopal	— 465	— 1,088	949	519	535	—	1,500
Wardha Coal	20,319	13,226	15,115	9,993	27,119	25,000	16,000
Bengal-Nagpur	55,759	52,644	51,390	50,717	36,459	51,500	100,000
Katni-Umaria	—	—	738	— 1,475	—	—	—
Umaria Colliery	193	— 7,041	— 1,276	8,813	— 2,541	3,000	8,000
Burma	82,172	58,816	118,413	155,200	124,365	147,500	175,000
Tounghoo-Mandalay	—	—	—	—	— 644	34,000	50,000
Jorhat	— 342	— 605	— 1,465	— 1,473	257	—	200
Cherra-Companygunj	—	—	— 2,135	— 2,496	— 1,496	— 1,400	— 1,000
Eastern Bengal:							
Eastern Bengal	266,084	156,951	210,384				
Northern Bengal	64,597	84,886	121,227	477,292	580,484	640,000	640,000
Kumia-Dhurla	3,696	1,962	3,314				
Dacca	1,862	— 5,735	— 702				
Tirhoot	28,125	36,468	61,338	74,350	71,600	124,500	125,000
Nalhati	425	1,202	1,943	3,213	1,918	2,500	2,100
Patna-Gya	21,968	24,571	25,747	28,274	26,109	27,300	27,000
Bengal Central	—	— 584	— 8,776	7,927	21,242	27,500	23,000
Oudh and Rohilkhund	—	—	—	—	120,230	435,000	460,000
Benares Branch	—	—	—	106	620		
Indian Midland	—	—	1,035	10,465	38,642	102,500	170,000
Dildarnagar-Ghazipur	1,946	2,214	2,277	2,588	2,409	—	—
Bareilly-Pilibhit	— 486	2,280	2,451	2,792	2,758	3,500	3,500
Lucknow-Sitapur-Seramau	—	—	449	3,307	7,275	10,600	15,000
North Western	526,146	962,573	1,056,359	554,656	830,664	1,035,000	870,000
Amritsar-Pathankot	2,423	4,814	9,538	7,350	8,738	10,100	11,200
Jammu-Kashmir	—	—	—	—	—	—	—
South Indian	—	—	—	—	—	—	50,000
Villupuram-Guntakal	—	—	—	—	—	—	5,000
Villupuram-Guntakal—Nellore Branch	—	—	—	— 4,309	— 3,494	6,900	7,500
Bellary-Kistna	—	—	—	— 2,338	—	—	—
Dhond and Manmad	20,427	22,062	23,376	22,734	25,545	24,900	25,000
Southern Mahratta	61	21,516	56,721	104,285	100,841	102,500	130,000
Mysore	—	—	17,257	9,055	11,270	11,500	26,500
Bezvada Extension	—	—	—	—	—	1,700	2,500
Exchange	—38,795	—	—	—	—	—	—
TOTAL	4,206,317	5,056,800	5,609,138	5,277,739	5,767,864	6,564,600	6,681,300

* The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.

APPENDIX III.—*continued.*

TABLE IX.—GROSS RECEIPTS, WORKING EXPENSES, and NET EARNINGS of IRRIGATION—MAJOR WORKS, for Five Years ending 1888 89, with REVISED ESTIMATE for 1889-90, and BUDGET ESTIMATE for 1890-91.

	ACTUALS.					Revised Estimate,	Budget Estimate,
	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.
DIRECT RECEIPTS:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Orissa Canals	14,358	20,735	17,961	22,304	24,351	26,500	28,000
Midnapore Canal	25,796	26,249	23,419	23,438	25,180	26,500	25,000
Hidgellee Tidal Canal	4,351	5,245	5,440	4,186	5,517	4,100	6,000
Sone Canals	86,247	106,264	91,843	60,395	84,389	87,300	86,000
Ganges Canal	291,662	194,967	220,926	197,254	213,014	210,000	215,640
Lower Ganges Canal	169,434	135,628	105,666	106,614	123,382	136,000	136,930
Agra Canal	79,190	46,689	61,338	48,148	46,622	54,000	61,380
Eastern Jumna Canal	79,374	61,034	69,864	70,305	71,154	71,100	68,670
Betwa Canal	- -	-	2,070	3,057	7,313	8,000	7,480
Western Jumna Canal	160,237	82,625	83,898	135,366	90,170	108,500	119,000
Chenab Canal	- -	- -	- -	25	3,768	10,000	10,000
Bari Doab Canal	105,421	118,887	129,138	126,141	139,232	140,000	140,000
Sirhind Canal	3,249	13,467	35,491	69,900	113,233	146,500	150,000
Swat River Canal	- -	25	2,672	10,326	22,753	24,000	24,000
Godavari Delta System	9,601	10,738	10,601	12,431	10,653	10,500	10,650
Kistna Delta System	3,300	3,522	3,791	4,394	4,669	4,550	4,600
Sangam Anicut System	- -	- -	- -	86	142	40	100
Desert Canal	2,865	2,158	3,735	3,697	7,037	5,088	4,340
Begari Canal	3,456	3,131	4,544	2,549	5,097	3,992	3,186
Eastern Nara Works	1,804	1,872	1,772	1,599	1,681	1,838	2,005
Mutha Canals	14,069	15,055	18,340	18,958	21,640	20,830	21,830
Nira Canal	- -	24	274	768	1,029	2,670	3,170
Other projects	20,612	16,388	17,041	29,020	39,776	47,992	45,859
TOTAL	1,075,026	864,773	909,824	950,961	1,061,802	1,151,000	1,173,900
PORTION OF LAND REVENUE DUE TO IRRIGATION:							
Ganges Canal	44,301	44,301	44,301	44,301	44,301	44,301	44,301
Lower Ganges Canal	20,783	20,783	20,783	20,783	20,959	20,959	20,959
Eastern Jumna Canal	22,154	22,153	22,153	22,154	22,153	22,153	22,153
Western Jumna Canal	5,832	5,833	5,832	5,140	5,275	5,500	2,200
Bari Doab Canal	27,557	34,250	60,497	37,526	40,469	40,000	40,000
Godavari Delta System	160,678	173,695	178,140	183.853	195,920	199,215	203,015
Kistna Delta System	101,609	110.592	113,667	132,273	142.362	145,825	150,765
Sangam Anicut System	- -	3,970	5,824	8,041	8,541	11,305	14,250
Desert Canal	10,834	9,389	6,072	8,254	11,030	13,510	14,050
Begari Canal	20,386	23,651	19,377	19,391	25,223	28,514	29,414
Eastern Nara Works	17,880	19,039	22,753	28,020	34,586	37,763	41,276
Mutha Canals	- -	—345	—476	—468	—562	—	—
Nira Canal	- -	- -	—6	—31	—44	—	—
Other projects	33,804	95,296	98,552	93,318	120,828	105,319	105,785
TOTAL	465,818	562,607	597,469	602,555	671,041	669,364	688,168
TOTAL REVENUE:							
Orissa Canals	14,358	20,735	17,961	22,304	24,351	26,500	28,000
Midnapore Canal	25,796	26,249	23,419	23,438	25,180	26,500	25,000
Hidgellee Tidal Canal	4,351	5,245	5,440	4,186	5,517	4,100	6,000
Sone Canals	86,247	106,264	91,843	60,395	84,389	87,300	86,000
Ganges Canal	335,963	239,268	265,227	241,555	257,315	254,301	259,941
Lower Ganges Canal	190,217	156,471	126,449	127,397	144,341	156,959	157,889
Agra Canal	79,190	46,689	61,338	48,148	46,622	54,000	61,380
Eastern Jumna Canal	101,528	83,187	92,017	92,459	93,307	93,253	90,823
Betwa Canal	- -	- -	2,070	3,057	7,313	8,000	7,480
Western Jumna Canal	166,069	88,468	89,730	140,506	95,445	114,000	121,200
Chenab Canal	- -	- -	- -	25	3,768	10,000	10,000
Bari Doab Canal	132,978	153,137	189,635	163,667	179,701	180,000	180,000
Sirhind Canal	3,249	13,467	35,491	69,900	113,233	146,500	150,000
Swat River Canal	- -	25	2,672	10,326	22,753	24,000	24,000
Godavari Delta System	170,279	184,433	188,741	196,284	206,573	210,715	213,665
Kistna Delta System	104,909	114,114	117.458	136,667	147,031	150,375	155,365
Sangam Anicut System	- -	3,970	5,824	8,127	8,683	11,345	14,410
Desert Canal	13,699	11,547	9,807	11,951	18,067	18,598	18,390
Begari Canal	23,842	26,782	23,921	21,940	30,320	32,506	32,600
Eastern Nara Works	19,684	20,911	24,525	29,619	36,267	39,601	43,281
Mutha Canals	13,752	14,710	17,864	18,490	21,078	20,830	21,830
Nira Canal	- -	24	268	737	985	2,670	3,170
Other projects	54,733	111,684	115,593	122,338	160,604	148,311	151,644
TOTAL	1,540,844	1,427,380	1,507,293	1,553,516	1,732,843	1,820,364	1,862,068

APPENDIX III.—*continued.*

TABLE IX.—GROSS RECEIPTS, WORKING EXPENSES and Net Earnings of Irrigation, &c.—*continued.*

	ACTUALS.					Revised Estimate,	Budget Estimate,
	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.
WORKING EXPENSES:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Orissa Canals	31,573	34,258	50,193	48,131	38,717	44,350	43,100
Midnapore Canal	22,317	20,935	22,637	24,007	20,035	21,000	21,600
Hidgellee Tidal Canal	3,689	4,832	2,284	6,490	7,535	3,300	4,900
Sone Canals	60,396	55,237	58,146	71,731	75,522	75,000	72,300
Ganges Canal	92,609	86,026	85,535	88,300	91,931	84,779	92,538
Lower Ganges Canal	82,154	81,327	79,186	86,397	96,850	94,805	85,420
Agra Canal	26,565	26,313	28,337	24,478	24,113	26,699	24,903
Eastern Jumna Canal	19,164	18,128	20,562	19,266	25,467	25,204	24,018
Betwa Canal	- -	208	6,995	8,295	10,444	10,630	10,050
Western Jumna Canal	44,177	47,834	48,869	55,527	47,536	45,300	53,500
Chenab Canal	- -	-	- -	5,733	7,835	10,000	10,000
Bari Doab Canal	47,289	52,014	55,781	49,665	56,561	58,100	58,500
Sirhind Canal	14,022	21,276	23,071	34,537	53,647	60,000	60,000
Swat River Canal	- -	2,372	5,243	8,375	8,745	10,400	10,000
Godavari Delta System	50,476	56,486	48,594	51,680	52,221	48,392	49,800
Kistna Delta System	27,691	29,413	32,514	32,663	32,299	34,702	34,300
Sangam Anicut System	- -	468	2,577	4,369	4,170	4,566	5,400
Desert Canal	3,149	2,848	4,075	4,041	2,718	3,181	2,890
Begari Canal	5,835	5,042	5,300	6,126	6,452	6,308	5,870
Eastern Nara Works	6,488	6,467	6,443	5,474	8,393	7,391	6,900
Mutha Canals	6,831	6,120	6,838	6,034	6,246	6,911	6,800
Nira Canal	- -	1,256	1,822	1,673	1,716	2,551	4,250
Other projects	26,998	34,210	31,771	34,615	42,523	40,731	41,761
TOTAL	571,423	593,150	626,773	677,607	721,676	724,300	728,800
NET REVENUE:							
Orissa Canals	—17,215	—13,523	- 32,232	- 25,827	—14,366	—17,850	—15,100
Midnapore Canal	3,479	5,264	782	—569	5,145	5,500	3,400
Hidgellee Tidal Canal	662	383	3,156	—2,304	—2,018	800	1,100
Sone Canals	25,851	51,027	33,697	—11,336	8,867	12,300	13,700
Ganges Canal	243,354	153,242	179,692	153,255	165,384	169,522	167,403
Lower Ganges Canal	108,063	75,144	47,263	41,000	- 47,491	62.154	72,469
Agra Canal	52,625	20,376	33,001	23,670	22,509	27,301	36,477
Eastern Jumna Canal	82,364	65,059	71,455	73,193	67,840	68,049	66,805
Betwa Canal	- -	—208	—4,925	—5,238	—3,131	—2,630	—2,570
Western Jumna Canal	121,892	40,634	40,861	84,979	47,909	68,700	67,700
Chenab Canal	- -	- -	- -	—5,708	—4,067	—	—
Bari Doab Canal	85,689	101,123	133,854	114,002	123,140	121,900	121,500
Sirhind Canal	—10,773	—7,809	12,420	35,363	59,586	86,500	90,000
Swat River Canal	- -	—2,347	—2,571	1,951	14,008	13,600	14,000
Godavari Delta System	119,803	127,947	140,147	144,604	154,352	162,323	163,865
Kistna Delta System	77,218	84,701	84,944	104,004	114,732	115,673	121,065
Sangam Anicut System	- -	3,502	3,247	3,758	4,513	6,779	9,010
Desert Canal	10,550	8,699	5,732	7,910	15,349	15,417	15,500
Begari Canal	18,007	21,740	18,621	15,814	23,868	26,198	26,730
Eastern Nara Works	13,196	14,444	18,082	24,145	27,874	32,210	36,381
Mutha Canals	6,921	8,590	11,026	12,456	14,832	13,919	15,030
Nira Canal	- -	—1,232	—1,554	—936	—731	119	—1,080
Other projects	27,735	77,474	83,822	87,723	118,081	107,580	109,883
TOTAL	969,421	834,230	880,520	875,909	1,011,167	1,096,064	1,133,268

APPENDIX III.—*continued.*

CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDISED RAILWAYS.

TABLE X.—ABSTRACT of BUDGET ESTIMATES of CAPITAL TRANSACTIONS of GUARANTEED and SUBSIDISED RAILWAYS, 1889-90 and 1890-91.

RAILWAYS.	AMOUNT IN RUPEES.			AMOUNT OF EXCHANGE.			AMOUNT IN POUNDS STERLING.		
	1889-90.		Budget, 1890-91.	1889-90.		Budget, 1890-91.	1889-90		Budget, 1890-91.
	Budget.	Revised.		Budget.	Revised.		Budget.	Revised.	
GUARANTEED RAILWAYS.									
RECEIPTS.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	£.	£.	£.
Madras	22,00,000	23,75,000	23,00,000	1,83,000	1,98,000	1,92,000	201,700	217,700	210,800
South Indian	18,50,000	21,25,000	16,50,000	77,000	89,000	69,000	177,300	203,600	158,100
Bombay, Baroda, and Central India	23,50,000	25,50,000	24,00,000	1,96,000	2,12,000	2,00,000	215,400	233,800	220,000
Great Indian Peninsula	70,00,000	68,00,000	70,00,000	5,83,000	5,67,000	5,83,000	641,700	623,300	641,700
TOTAL	1,34,00,000	1,38,50,000	1,33,50,000	10,39,000	10,66,000	10,44,000	1,236,100	1,278,400	1,230,600
ADVANCES.									
Madras	20,00,000	19,50,000	19,50,000	1,67,000	1,63,000	1,63,000	183,300	178,700	178,700
South Indian	11,50,000	11,50,000	9,50,000	48,000	48,000	40,000	110,200	110,200	91,000
Bombay, Baroda, and Central India	15,50,000	13,00,000	14,75,000	1,29,000	1,08,000	1,23,000	142,100	119,200	135,200
Great Indian Peninsula	49,00,000	38,50,000	50,00,000	4,08,000	3,21,000	4,17,000	449,200	352,900	458,300
TOTAL	96,00,000	82,50,000	93,75,000	7,52,000	6,40,000	7,43,000	884,800	761,000	863,200
NET RECEIPTS.									
Madras	2,00,000	4,25,000	3,50,000	16,000	35,000	29,000	18,400	39,000	32,100
South Indian	7,00,000	9,75,000	7,00,000	29,000	41,000	29,000	67,100	93,400	67,100
Bombay, Baroda, and Central India	8,00,000	12,50,000	9,25,000	67,000	1,04,000	77,000	73,300	114,600	84,800
Great Indian Peninsula	21,00,000	29,50,000	20,00,000	1,75,000	2,46,000	1,66,000	192,500	270,400	183,400
TOTAL	38,00,000	56,00,000	39,75,000	2,87,000	4,26,000	3,01,000	351,300	517,400	367,400
SUBSIDISED RAILWAYS.									
RECEIPTS.									
Gain on Remittances to India:									
Southern Mahratta	- -	- -	- -	85,000	1,73,000	93,000	—8,500	—17,300	—9,300
Mysore	- -	- -	- -	5,000	750	12,000	—500	—75	—1,200
Indian Midland	- -	- -	- -	9,78,000	3,34,000	3,80,000	—97,800	—33,400	—38,000
Bengal Central	- -	- -	- -	- -	1,400	900	- -	—140	—90
Bengal-Nagpur	- -	- -	- -	5,71,000	4,82,000	8,98,000	—57,100	—48,200	—89,800
Rohilkhand-Kumaon	- -	- -	- -	- -	1,400	- -	- -	—140	—
TOTAL	- -	- -	- -	16,39,000	9,92,550	13,83,900	—163,900	—99,255	—138,390
WITHDRAWALS.									
Southern Mahratta, including Bellary-Kistna.	21,62,000	19,12,000	13,31,000	3,60,000	3,18,670	2,21,830	180,200	159,333	110,917
Mysore	9,00,000	12,60,000	6,23,000	2,25,000	3,15,000	1,55,750	67,500	94,500	46,725
Indian Midland	40,47,000	38,92,000	20,17,000	8,09,400	7,78,400	4,03,400	323,760	311,360	161,360
Bengal Central	2,03,000	2,45,000	3,50,000	58,000	70,000	1,00,000	14,500	17,500	25,000
Bengal-Nagpur	1,06,98,000	1,05,86,000	92,65,000	24,70,000	24,43,000	21,38,000	822,800	814,300	712,700
Rohilkhand-Kumaon	- -	1,00,000	8,50,000	- -	30,000	2,55,000	- -	7,000	59,500
TOTAL	1,80,10,000	1,75,95,000	1,44,36,000	39,22,400	39,55,070	32,73,980	1,408,760	1,403,993	1,116,202
Net Withdrawals	1,80,10,000	1,79,95,000	1,44,36,000	22,83,400	29,62,520	18,90,080	1,572,660	1,503,248	1,254,592
GUARANTEED AND SUBSIDISED RAILWAYS.									
Net Withdrawals	1,42,10,000	1,23,95,000	1,04,61,000	19,96,400	25,36,520	15,89,080	1,221,360	985,848	887,192

ABSTRACT of the Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the Provisions of the Act of Parliament, 24 & 25 Vict. c. 67.

The Council met at Government House on Friday, the 21st March 1890.

PRESENT:

His Excellency the Viceroy and Governor General of India, G.C.M.G., G.M.S.I., G.M.I.E., presiding.
His Excellency the Commander in Chief, Bart., V.C., G.C.B., G.C.I.E., R.A.
The Honourable A. R. Scoble, Q.C., C.S.I.
The Honourable Sir C. A. Elliott, K.C.S.I.
The Honourable P. P. Hutchins, C.S.I.
The Honourable Sir D. M. Barbour, K.C.S.I.
The Honourable Syud Ameer Hossein, C.I.E.
The Honourable Rájá Durga Charn Laha, C.I.E.
The Honourable G. H. P. Evans.
The Honourable Maung Ôn, C.I.E., A.T.M.
The Honourable Muhammad Alí Khan.
The Honourable R. J. Crosthwaite.
The Honourable Sir Alexander Wilson, Knt.
The Honourable F. M. Halliday.
The Honourable Rao Bahádur Krishnaji Lakshman Nulkar, C.I.E.

INDIAN TARIFF ACT, 1882, AMENDMENT BILL.

The Honourable Sir DAVID BARBOUR moved for leave to introduce a Bill to amend the Indian Tariff Act, 1882. He said:—

"The object of this Bill is to raise the rate of duty on imported spirit from five rupees to six rupees a gallon of the strength of London proof. Some time ago the Secretary of State for India requested the Government of India to consider the expediency of enhancing the import duty on spirits. It was pointed out that in recent years the rates of duty on spirit manufactured in India had been increased in a higher proportion than the duty on imported spirit; while the duty on the latter had been raised from four rupees a gallon, the amount at which it was fixed in 1875, to only five rupees a gallon, with a proportionate reduction for strength below London proof, the enhancement of the rates of duty on country spirits had been in many places very considerable. It was said that, 'in order to restore the ratio that used to exist between the duty on imported spirit and the duty on Indian spirits, the rate of duty would have to be increased considerably.' It was also urged, 'that an enhancement of the duties on imported spirits would be an important step towards increasing the price of, and the revenue from, strong drink, and also towards restricting the consumption. It would also, moreover, pave the way for further increases of the still-head duties in towns and populous tracts.' The Government of India consulted the Local Governments and Administrations on the question. With the exception of Assam and the North Western Provinces and Oudh, the authorities consulted have been generally in favour of an increase. Both the Chief Commissioner of Assam and the Lieutenant Governor of the North Western Provinces consider that there is no such competition between imported and country spirit as to call for an increase in the import duty. But in Assam the circumstances of the country have not as yet permitted the imposition of rates of duty on country spirit levied according to quantity and strength; while in the North Western Provinces and Oudh the rate of duty is exceptionally low, though the Local Government is now considering the propriety of raising the rate. These facts sufficiently account for the opinions that have been received from Assam and the North Western Provinces. All other Governments are in favour of an increase. The following is an extract from the report

report of the Madras Board of Revenue, which is fully endorsed by the Government of Madras:—

'The incidence of duty on country spirit, that is, the excise duty *plus* the vend rents, in almost every large town in the Presidency and in many rural tracts, is already greater than the present tariff rate, *Rs.* 3 8 *a.* at 30 degrees under proof; and it will be practically impossible before long to raise the rate of excise duty any higher. . . . . In the interests, therefore, of the local distilling trade, in the hope of keeping cheap and inferior European spirits out of the country, and in the interests of temperance, in order that there may be scope for raising the excise duty and thereby decreasing consumption, the Board recommend an increase in the tariff rate of duty.'

"The Government of Bengal states that low class European spirit competes considerably with country liquor, and recommends an increase in the tariff rate chiefly with reference to that inferior class of imported spirit, on the ground that 'it is, if not absolutely deleterious, certainly less wholesome than either country spirit or country rum.' It is on the two considerations above stated that the Government of India has decided that it is desirable to increase the rate of duty as proposed in this Bill. The first of them is a consequence of the excise policy which has been followed by the Government of India, of restricting the consumption of spirits as much as possible by the imposition of high rates of duty. This has been carried so far that any further progress in the same direction is, in some provinces, difficult or impossible without increasing the tariff rate on imported spirits. It is also obviously a sound policy to increase the rate of duty on specially injurious kinds of spirit. In regard to the amount of the increase of duty the Local Governments differed in their proposals; rates varying from six rupees to seven rupees per gallon were suggested. The Government of India has decided that an increase to six rupees will be sufficient for the present.

"An increase in the rate of duty on perfumed spirit from *Rs.* 7 8*a.* to eight rupees follows necessarily on the increase in the rate for ordinary spirit. The rate of duty on spirit in England is 10*s.* 4*d.* a gallon of the strength of London proof. This is considerably more than the rate of six rupees a gallon which it is now proposed to place on spirit imported into this country, and the classes which consume imported spirit in this country are at least as well able to pay a high rate of duty as the classes which consume the same quality of spirit in England."

The Motion was put and agreed to.

The Honourable Sir DAVID BARBOUR also introduced the Bill.

The Honourable Sir DAVID BARBOUR also applied to His Excellency the President to suspend the Rules for the conduct of business. He said:—

"My object in so applying is, that I may be able to move that the Bill be taken into consideration at once, and passed to-day, if the Councilshould be of opinion that it ought to be passed. This is a course which can only be justified in a case of urgency, but I submit that the present case is one of urgency. If any delay takes place, large quantities of spirit will be taken out of bond, or imported, and particular individuals will be able to make an undue profit at the cost of the public and of the public revenues. There need be no hesitation in dealing with the matter at once, on the ground that persons who have made contracts for the sale of liquor at a certain price, but have not yet paid the duty, will suffer hardship; because in an Act passed last year, VIII. of 1889, provision was made to enable the seller in such case to add the additional duty to the contract price."

His Excellency the PRESIDENT said:—

"The course which the Honourable Sir David Barbour asks me to adopt is one which has been taken before on similar occasions when a clear case of urgency arose. From what has fallen from the Honourable Member, I have no hesitation in saying that a sufficient case has been made out, and I therefore suspend the Rules."

The Honourable Sir DAVID BARBOUR moved that the Bill be taken into consideration.

The Motion was put and agreed to.

The Honourable Sir DAVID BARBOUR then moved that the Bill be passed.

The Motion was put and agreed to.

EXCISE ACT, 1881, AND BENGAL EXCISE ACT, 1878, AMENDMENT BILL.

The Honourable Sir DAVID BARBOUR also moved that the Bill to amend the Excise Act, 1881, and the Bengal Excise Act, 1878, be taken into consideration. He said:—

"I may say at once that no objection to this Bill has been raised by anybody, either in respect of the principle of the Bill, which aims at the taxation of Indian-brewed beer, or in respect of the amount of duty to be imposed. Certain suggestions regarding it have been received from persons who are interested in it in their capacity as brewers. These suggestions can be satisfactorily dealt with by executive order, but in respect of one of them legislation is desirable. I refer to the proposal to allow a drawback of the duty when Indian-brewed beer is exported to foreign countries. This is obviously a reasonable suggestion, and I propose to slightly amend the Bill, so as to place Indian beer on the same footing in this respect as Indian spirits."

The Motion was put and agreed to.

The Honourable Sir DAVID BARBOUR also moved that the Bill, with the amendment already referred to, be passed. He said:—

"Although the present Bill does not materially affect the finances, it will, I think, be convenient that I should now give a brief sketch of the general financial position. The usual Financial Statement is published to-day, and full details will be found in it."

* * * * * * *

[Sir D. Barbour then gave a brief summary of the Statement, as printed in Part I., *see* pages 1 to 46.]

The Honourable Mr. EVANS said:—

"I have to suggest to the Council to consider whether there is any particular urgency in regard to the passing of this Bill. There may be difficulty in discussing the Budget Statement if the Bill is passed now."

His Excellency the PRESIDENT said:—

"It will probably be convenient to adjourn at this stage till this day week, and resume the discussion on it when the Council meets again."

The Council adjourned to Friday, the 28th March 1890.

S. Harvey James,
Secretary to the Government of India,
Legislative Department.

Fort William,
27 March 1890.

The Council met at Government House on Friday, the 28th March 1890.

PRESENT:

His Excellency the Viceroy and Governor General of India, G.C.M.G., G.M.S I., G.M.I.E., presiding.
His Honour the Lieutenant Governor of Bengal, K.C.S.I., C.I.E.
The Honourable A. R. Scoble, Q.C., C.S.I.
The Honourable Sir C. A. Elliott, K.C.S.I.
The Honourable P P. Hutchins, C.S.I.
The Honourable Sir D. M. Barbour, K.C.S.I.
The Honourable Syud Ameer Hossein, C.I.E.
The Honourable Rájá Durga Charn Laha, C.I.E.
The Honourable G. H. P. Evans.
The Honourable Maung Ôn, C.I.E., A T.M.
The Honourable Muhammad Ali Khan.
The Honourable R. J. Crosthwaite.
The Honourable Sir Alexander Wilson, Kt.
The Honourable F. M. Halliday.
The Honourable Rao Bahádur Krishnaji Lakshman Nulkar, C.I.E.

EXCISE (MALT LIQUORS) BILL.

The Motion before the Council was that the Bill to amend the Excise Act, 1881, and the Bengal Excise Act, 1878, be passed with the following section added thereto, namely:—

"*Drawback of Excise-duty on Export of Malt Liquor.*

"9. The provisions of Section 150 of the Sea Customs Act, 1878, with respect to the allowance of a drawback of excise-duty paid on spirit manufactured in British India, and exported to a foreign port, and with respect to the regulation of the drawback by the quantity of such spirit, shall apply also, so far as they can be made applicable, to fermented liquor made in British India from malt, and so exported, and to the drawback of the excise-duty paid on such liquor."

Application of provisions of Section 150, Act VIII., 1878, to malt liquor.

The Honourable RAO BAHADUR KRISHNAJI LAKSHMAN NULKAR said:—

"My Lord,—Owing to the shortness of the interval between the presentation and the date fixed for discussion of the Financial Statement, I am unable to submit anything like a full review of that document. I hope that in future a longer interval and the concession of the privilege of interpellation may place us in a better position for a more satisfactory treatment of the important subject of Indian finance. On the present occasion I intend to content myself by submitting for consideration such observations as a cursory study of the Statement suggest themselves. To begin with the Home Charges, one is struck with the meagreness of information given in the accounts, which show nothing beyond two vague entries of 'Bills drawn by the Secretary of State,' and paid. An Indian Budget must be considered incomplete without full and detailed information of the Home Charges, together with the bills preferred and paid between the War Office and the India Office, together with claims on account of charges for troops lent by either country to the other for active service. I would earnestly press for adoption in future this improved mode of preparing the annual Budget in this country, the necessary materials being duly obtained from the Secretary of State.

"Closely connected with the subject of Home Charges is the question of loss by exchange on payments which have to be made in England in sterling. The present uncertainty of conditions and rules of local recruitment of the Indian subordinate services has given rise to extraordinary claims on behalf of a class of members of those services, founded on race distinction, to have their rupee pensions paid in England in sterling, at a rate of exchange more favourable than the market-rate of the day. Distinct promises and conditions of service made

at the time of recruitment must, of course, be faithfully fulfilled; but it is difficult to understand how foreign British-born subjects, after claiming equality of treatment and eligibility for employment in India along with the natives, can, after retirement, justly advance a claim to have their pensions, originally fixed in rupees, paid in England in sterling, at favourable rates of exchange, simply on the ground that they are foreigners by race, and prefer to live in Europe. It is a peculiar misfortune of India that these questions of race distinction should be allowed to crop up with almost the regularity of periodicity, even half a century after all such distinctions had been abolished by Act of Parliament. The Act of 1870, which tried to bring into existence and bolster up a fiction called the Statutory Civil Service of India, is responsible for unsettling the minds of the people by legalising a race distinction in a manner which satisfied nobody, which practically created rather an arbitrary inter-race distinction, and which introduced into the exercise of patronage the elements of birth and race partiality, which soon became a public scandal. Let me not be misunderstood. I have nothing to say personally against the body of public servants called the Statutory Civil Service. I have no doubt that it consists of members as good and worthy as it was possible to secure under the circumstances. But it has to be remembered that none of them, however able or talented, can possibly escape the taint which must inevitably attach to a faulty system of recruitment based on the wrong principle of the service for the men, and not men for the service. The Public Service Commission dealt with this Statutory Service exhaustively, and exposed its mischievous effects on the public as well as on personal interests concerned. The Commission recommended its abolition, and advised a well-marked division of the public services of India into two parts; one to be exclusively recruited for in England, and the other in India; the distinction of race, creed, or colour, being rigidly discarded from both. The interests of the indigenous races in the local service were safeguarded by the condition of a sufficiently long recent residence, and the possession by all candidates of a really competent knowledge of the vernaculars, fully equal to that of a well-educated native. There was to be no distinction of pay, pension, or other conditions, in either of the two services based on race distinction. Had that recommendation been adopted in its integrity, such claims as those now preferred on behalf of what is styled the 'Uncovenanted Service,' but which really consists of the European portion of that branch, would have no leg to stand upon, and the Indian Treasury would be saved from any such preposterous demands. The Secretary of State, however, was unwilling to go up to Parliament, whose sanction to the new scheme was necessary; and the result is a continued adherence to the most mischievous anomaly and demoralisation which the Parliamentary Act of 1870 had brought into existence. This state of things will certainly satisfy no legitimate interest; and the late Despatch of the Secretary of State has already had the result of renewed agitation in favour of simultaneous examination in India for the Indian Covenanted Civil Service, from which I for one am not now inclined to entirely withhold my sympathy, from a certain point of view. However, financially speaking, I do not see how claims for exceptional treatment in the matter of pensionary payments in sterling at a favoured rate, based on race distinction, on behalf of members of the ruling race, are to be successfully resisted now or in future, so long as the legalised race qualification newly created in 1870 remains in force. The honourable Member for Finance had, therefore, better allow this new disturbing element to have its due weight in his future calculations of 'loss by exchange,' because, among other things, the personal interests of the European members of the Uncovenanted Service claiming the favoured treatment have an ever-increasing Parliamentary influence to support their side.

"Among the items of Imperial Revenue, there are two which challenge attention at the outset, namely, salt and abkari. As regards the first, I wish to draw the attention of your Lordship's Government to the extreme hardship and privation from which the great bulk of the Indian population suffers, in consequence of the enhancement of the salt duty which was sanctioned two years ago. I am no believer in statistical conclusions either way, when they are based solely on a comparison between issues or exports and imports of salt within short corresponding periods. A better and more trustworthy proof of the

privations

privations to which the poor are reduced in parts of India is furnished by the new laws which have had to be passed preventing the use of salt-earth, and similar substances, for edible salt, because men do not resort to such extreme devices unless they are hard pressed to do so by the high rate which the salt tax has now reached. I would, therefore, press upon the favourable consideration of Government the paramount necessity of reducing the salt duty to a considerable extent at an early date, simply as a measure of relief of poor humanity. Even if we had not been blessed with a considerable surplus this year, I should have felt it a duty to bring this matter to notice, with a view to afford the required relief even by a re-adjustment of the taxes.

" One branch of the department of revenue which appears to me to have developed a side of popular demoralisation is the Indian Abkari Department. In the face of the voluminous records recently published with the view of proving several positions taken up by Government in defence against complaints made by temperance movements, and in other quarters, it is not my intention to enter into a controversy on either side. The important question which ought to engage attention is not whether spirituous liquor was known to the people of India before the advent of the British into the country, nor yet whether a larger or smaller quantity is now poured down the native throat, as compared with what was consumed 10, 15, or 30 years ago. These are not, in my humble opinion, questions very pertinent to the issues to be decided. The real question is whether the sense of shame, the homage which hypocrisy pays to virtue, has been gradually rubbed off from the character of our working classes, who form the great bulk of the consumers of country liquor, and consequently the backbone of the Abkari-revenue. The manner in which the contracts are sold, the public and hitherto respectable localities in which liquor-shops are allowed to be opened, and half-tipsy people permitted to infest native thoroughfares, added to the prevalence of the belief, right or wrong, that the habit of drinking is not looked down upon by the ruling class; such are among the real causes under the operation of which all sense of shame or feeling of the necessity of concealment has disappeared, and the free and open use of intoxicating liquors is becoming more and more fashionable without any immediate prospect of diminution, unless indeed the municipalities bestir themselves, and, with the earnest and energetic help of district officers, insist upon the removal of all liquor-shops to places far away from public thoroughfares and respectable localities, and have them placed under strict police surveillance to prevent intoxicated persons prowling about the streets at dusk. With such measures to ensure respectful and temperate behaviour on the part of the people who frequent the liquor shops, the present demoralisation is bound to diminish to a considerable extent, and may even disappear from among the more respectable working classes by a gradual change of fashion. In that event, the Abkari-revenue must also suffer a corresponding diminution. Even admitting the many errors of facts or statistics into which the temperance movement here and in England is believed to have fallen regarding the actual working of the Indian Abkari Department, I am hopeful that careful and persistent efforts to show up the fashionable character which the habitual use of intoxicating drinks has assumed in India within the last twenty years, under the ægis of a State department, are destined ultimately to win the day in this important controversy; and therefore the time may yet come when the honourable Member in charge of the Financial Department will have to count upon the Abkari-revenue becoming one of the uncertain and decreasing items of income, and to plan his annual estimates accordingly. Indeed, the signs of a better policy in this respect on the part of Government are not entirely absent from the papers recently published, as distinguished from the previous state of things, which is aptly described in a note by the compiler of a Provincial Revenue Handbook,* attached to the section 'Moral Principles' which were to underlie a wise administration of the Abkari department under the orders quoted in that chapter. He states:—

'The following excellent orders have never been cancelled, but it is needless to say that they are not now acted upon, if indeed they ever were.'

" As regards the policy of segregation I have just alluded to, I may mention a custom which was handed down from the time of the Ameers of Sind, according to which all women following a certain immoral profession had to live in a separate

* Bombay, 3rd Edition, 1884, page 293.

separate street by themselves at a respectful distance from the towns. To my personal knowledge, this salutary custom continued to prevail in many towns for at least twenty years after the British conquest of that province. I am unable to say whether the principle of the liberty of the subject has prevailed against the old state of things, and the persons concerned have since been allowed to live and commingle with other citizens in the midst of the towns of that interesting province. Abstract principles of such liberty cannot be always suddenly transplanted from the West into the East without danger, in supersession of salutary checks against vice to which the people are accustomed from time immemorial; and there is no doubt that the free, public, and fashionable use of intoxicants under a Government revenue monopoly is one of such abstract principles, entirely unsuited to the present condition of the masses in India. It will be noted that I make a distinction between the working classes who mainly patronise the Government liquor shops, and the better educated classes among whom it is complained that intemperate habits are on the increase. I do not attribute this latter phenomenon to the Abkari policy of Government, and entirely agree with the dismal explanation of it contained in the papers lately published.

"There are other matters, such as the necessity to raise the minimum for income-tax, the actual working of the provincial contracts, with a stricter adherance to the policy of refunds to Provincial Governments on the return of better times, and some other heads of the Budget, which call for notice, but there was no time for me to take them up and be ready to discuss them at this meeting; nor is it perhaps to be regretted, because the time at our disposal is limited at this very end of the Session, and there are many honourable Members who, I believe, are also going to address the Council."

The Honourable SIR ALEXANDER WILSON said:—

"My Lord,—There is a general feeling of satisfaction that the anticipations of my honourable friend Sir David Barbour as regards the financial position of the country have been realized.

"The statement which he placed before the Council last week shows that not only in the past year have the finances been found on a sound and profitable basis, but it also holds out a greater measure of hopefulness for the future.

"While congratulating the honourable Member on this happy state of affairs, I concur very fully in those prudential remarks with which he closed his introductory statement last week.

"No doubt, when a 'surplus budget' is declared, there is a popular expectation of some corresponding reduction in taxation.

"But the disappointment on this occasion will, I feel sure, be tempered with the appreciation of the wisdom of the policy which declines in the first flush of prosperity to part with any of the resources of the State.

"We have only to look back a few years to realize the fallacy of the assumption that a surplus in any one year, as in 1882, means a continuance of prosperous times, or that it can be used to make a temporary reduction of the public burdens without a danger of again subjecting the country to a period of difficulty such as we have now happily left behind us.

"The statement we are asked to discuss to-day is at once clear and convincing, and, as far as I can learn, commands universal confidence and approbation.

"I will not attempt to enter into any analysis of the figures, but I congratulate the Finance Department on the improved form in which these figures have been placed before us.

"From what the comparatively short time has permitted me to see, they give a full and comprehensive summary of the financial position in a manner alike intelligible and convenient for reference.

"The exposition of the policy in regard to the grant for famine relief will be welcomed by those who have, somewhat unreasonably I think, come to the conclusion that the provision hitherto made in this direction had been done away with: but doubts are entertained whether, under the exceptionally favourable circumstances, the Government are justified in retaining the contribution from the Local Governments and applying it to this purpose.

"Fortunately

"Fortunately for the country, scarcity has not in any marked degree for some time past pressed upon the people. The great progress which has been made in opening up communication has provided a means of distributing the food resources of the country, which is in itself an insurance against a repetition of the horrors of famine experienced in the past.

"If we have not heard so much of famine of late years, it is not because risk of short or partial rainfall, and consequent scarcity of food grain, has disappeared, but that the people have now the means of meeting such a contingency and supplying their own needs from the resources of more fortunate parts of the country.

"In the statement now before the Council, figures are given showing the number of miles of railway open to have increased from 8,382 miles in 1880 to 14,437 miles in 1890, or by more than 72 per cent. in ten years; and, though India is not yet, as regards railways, in the position sketched out by Lord Mayo, we must admit that the progress made has been a protection against the effects of scarcity over particular and special areas.

"I have read with much interest the remarks under the head of Railway Finance; and, while I acknowledge that much valuable information is given therein, I regret to find no defined policy put forward by the Government with regard to the future construction of railways.

"I quite recognise the difficulty, in the face of ever-changing circumstances, of laying down any hard-and-fast line of action; but I submit that the time has come when Government should be prepared to say what part it will take in the future.

"A glance at the figures shows that railways occupy no insignificant position in the Revenue Accounts of India. If the Government are prepared to go on with the development and extension of railways and branch railways throughout the Empire, I do not think that the modest allotment of $6\frac{1}{4}$ crores as provided for in the Budget will go far to keep pace with the requirements of the country. And, on the other hand, if Government is not prepared to go on with the work, I think it is incumbent that it should throw the field more widely open to private enterprise, on such terms as may seem just and reasonable.

"I would solicit for this subject the careful consideration of the Government of India; for, though the remarks of my honourable friend on the currency question were exceedingly guarded, should any settlement of the relations between silver and gold be arrived at, and the uncertainty of exchange be thus modified, there would be no lack of capital offering for the extension and development of railways in India.

"Without some defined policy being laid down, however, I fear that the patience of promoters and capitalists is likely to be exhausted before any of the schemes proposed are adopted, and meanwhile the trade requirements of the country are unsatisfied.

"There is one other point I would like to touch upon, which, from all mention of it having been omitted in the statement before us, must, I presume, have been considered by my honourable friend to have been conclusively dealt with last year, and that is the management and disposition of the Government balances.

"Mr. Steel, who occupied with far more ability the position I have now been called upon to fill, expressed as his own opinion an entire concurrence with the views then enunciated by the honourable Finance Minister, that these balances should not be made available to the public in the furtherance of trade.

"To what was then stated by the Honourable Mr. Steel, with which I quite agree, I may now add that I have the authority of the Committee of the Bengal Chamber of Commerce to say that that body supports the action of your Lordship's Government, and is not prepared to advocate a policy which would bring the Government into the money market by making its reserves available for commercial purposes.

"I hold that it is the interest of the country that large supplies of bullion be attracted here, and the only way to secure this is to permit the ordinary laws of supply and demand to operate.

"If Government balances be placed at the disposition of trade, the banks will

prefer to work on borrowed money rather than bring out specie to redress the balance of trade.

"If the banks expect a fall in exchange, they will naturally keep as much as possible of their funds in England. We may then see a situation when the Government balances are depleted, when the exchange banks have no money here, and when war, famine, or other causes, may cause Council drafts to be stopped.

"If such a conjunction should arise, the only recourse would be to bring out silver if it were available. Meantime, merchants would be unable to cash their bills, there would be a suspension of cash payments, and a general panic would be inevitable."

The Honourable Mr. EVANS said:—

"My Lord,—I congratulate the Government on a result so far better than could be looked for.

"To find a surplus of Rx. 2,733,000, after estimates for one of Rx. 106,000, is indeed good fortune.

"The Government will, I think, have the approval of the public in their general schemes for the disposal of the surplus.

"Considering the casual character of the portion of the surplus attributable to Opium and some other sources, and the heavy demands of the immediate future, and the necessity for providing for the recurrence of famine, no remission of taxation could, I think, be reasonably asked for.

"The revenues appear to have been well and carefully administered, and the outlook is very hopeful compared with that of later years, after allowing for the changes and chances of Indian Finance.

"The expenditure for the Army and Special Defences for the coming years, over Rx. 2,253,000 (two millions and a quarter), is very heavy, so heavy that it might, had it been necessary, have properly been spread over more than one year. But our first duty to this country is to defend it, and to have our Army and defences in such a state that no foe is likely to attack us. The expenditure, heavy as it is, I think necessary for future safety. Defence takes precedence even of development; and, if the expense is necessary, and if we can afford to meet it with the current revenue of the year, there is no reason why we should not do so, and many reasons why we should.

"Next, it is proposed to spend Rx. 3,750,000 on railways and canals not chargeable to revenue, that is, works for the development of the country which are ordinarily constructed with borrowed capital, and it is further proposed to avoid borrowing this year by devoting the surplus of the past and coming years to this purpose; and it is proposed to lend Rx. 900,000 to local bodies without borrowing.

"I am sure the Council will be glad if the Honourable Member in charge of the Public Works can inform them which of the works are productive and likely to pay, and which are constructed for defence or relief of famine and are unproductive works.

"Subject to the remarks I am about to make, the use of the surplus to diminish borrowing, and thus to strengthen the finances, seems wise and statesmanlike.

"But, excellent as the general scheme of the Budget is, providing for the two cardinal points of defence and development, there is one thing against which I most strongly protest, and in this protest I shall, I believe, express a large body of outside opinion.

"This is the manner in which the contribution of Rx. 490,000 levied from the local governments is dealt with.

"This sum was demanded by the Government of India and given by the local governments, under a complete, though innocent and excusable, mistake of fact.

"When the mistake was discovered, the money should, so far as I can see, have been handed back at the first opportunity, unless some adequate political necessity could be shown for its retention.

"It is retained without a word of explanation.

"The local governments can speak for themselves, so far as they are represented

sented here: I speak for the public, for whom and for whose service the local governments held those funds.

"Those funds in the hands of the local governments were applicable to provincial improvements, improvements in the police and in the administration of justice and other matters which touch the daily life of the people.

"They are now diverted from this purpose to Imperial purposes, at a time when the Imperial finances are in a state of unusual prosperity with a hopeful outlook, and at a time when the finances of this province at least are straitened and overburdened.

"It is necessary I should remind the Council of the principles of Provincial Government. The local administration is in the hands of the local governments. They have to provide the people with protection for their persons and property by means of police and criminal courts, and with redress for civil wrongs and enforcement of debts and contracts by the machinery of civil justice. To enable them to discharge these and the other manifold duties of local government, they have allotted to them by a five years' provincial contract certain heads of local revenue, including the whole of the receipts from the administration of justice and a certain percentage of some of the sources of Imperial revenue.

"The allotment is made on the principle of producing an exact equilibrium between expenditure and receipts at the date of the contract; whatever they can save during these five years by economy in administration, or by the expansion of their allotted sources of revenue, they are at liberty to spend in the improvement of their administration and the development of the province.

"This is the only means they have of providing money for reforms and improvements. They are obliged to keep a minimum balance; in the case of Bengal, I believe 20 lakhs. These sources of revenue and the savings from them were guaranteed to the Provinces and the Provincial Governments by the contract of the Government of India for five years from 1887 to 1892.

"But bad times came on the Government of India. The Budget Estimate framed in 1888 for 1888-89 showed a deficit of Rx. 698,000. The Revised Estimate of that year, framed in March 1889, showed a deficit of Rx. 201,700, even after imposing additional taxation. It was only by revising the Provincial contracts before their time, or, in other words, repudiating them, or by getting a contribution from the local governments, that a deficit on the Budget of 1889-90 could be avoided.

"This latter alternative was decided on, though I understand the former had been sanctioned by the Secretary of State in view of the supposed financial embarrassment of the Government.

"I am not raising any objection to the principle that, when there is Imperial necessity, all other considerations must be set aside.

"It was on these grounds and under these circumstances that the demand was made and complied with. Rx. 100,000 (ten lakhs) was the contribution of Bengal, small in amount, but, like the widow's mite, all that she had in the way of disposable surplus.

"How straitened the finances of Bengal have been this year, owing to a bad financial year, and the loss of this disposable balance, His Honour can tell you better than I. I can only vouch for the outward and visible signs of poverty, ruthless economy, and starving of all departments; all the symptoms of a painful attempt to make both ends meet. How near they have met I do not know.

"Now, the question is a plain one. Would the Government of India have taken this contribution had they known the real outturn of the year, if they had known that they would have a surplus of over two millions for Imperial purposes without it? There can be only one answer: an emphatic 'No.'

"Then why do they keep it when the mistake is discovered? Is there any necessity? None. It is so little wanted for this year that it is actually cut out of the accounts, leaving a surplus of Rx. 2,243,000 for this year, and an estimated surplus of Rx. 304,900 for 1890-91.

"This surplus of 1890-91 is arrived at after providing for an extraordinary expenditure of over two millions and a quarter for Army and special defence purposes.

"But it is proposed to leave this Rx. 490,000 to increase the surplus of 1890-91 from Rx. 304,000 to Rx. 794,000, for the purpose of partially restoring

the Famine Grant in that year, by transferring Rx. 524,500, that is, this unfortunate Rx. 490,000 plus Rx. 34,500, from the former surplus to the heading of 'Famine Grant' in 1890-91, so as to bring up this heading to Rx. 600,000. A part of the large surplus of the present year is treated in the same manner, that is, Rx. 433,000 is removed from the heading 'Surplus' and inserted under the heading 'Famine Grant,' and labelled 'For the reduction of debt.' I have looked carefully at the result of moving these figures from the heading 'Surplus' into the heading 'Famine Grant.' To my uninstructed eye the result is '*nil*.'

"The whole of the surplus of both years is devoted to the reduction of debt by diminishing borrowing.

"These two sums of Rx. 433,000 and Rx. 524,000, after having been taken out of the surplus and exhibited as 'Famine Grant,' are expended in exactly the same way as if this had been left to appear as surplus. This and the surplus are applied to the construction of railways and canals not chargeable to revenue, in order to avoid a loan. I can find in the transactions only words and no reality, and the so-called 'Famine Grant' in these years appears to be nothing more than a phrase. The result is that the Rx. 490,000 is practically carried on with the surplus of next year, and dealt with in the same way as the rest of the surplus.

"After the lucid exposition in the Financial Statement of the real meaning and object of what has been variously called 'The Famine Insurance Fund' and the 'Famine Grant,' I had hoped we might have dispensed with these misleading terms.

"The Honourable Member has made it plain that there never was intended to be any 'Fund' or 'Grant' in the strict sense of the words, and that all that was determined on was to estimate, wherever possible, for a special surplus of Rx. 1,500,000 in each year, which was to be applied in reduction of debt or in avoiding borrowing, or on works which tended to prevent famine, and to provide this special surplus before any ordinary surplus available for the remission of taxation could be considered as reached; this was based on a calculation that famine, on the average, would lead to a loss and a consequent borrowing of Rx. 15,000,000 in every ten years.

"This is sound and wise policy, and must command general approval.

"Why this principle should be obscured by the use of misleading terms is not clear. I presume it is to avoid the appearance of a surplus. A misleading phrase may sometimes be practically useful, though it should be avoided if possible. I fear I incur a charge of presumption in criticising the statement of one who is a master of the science of finance, which I profess no knowledge of.

"But the Financial Member has conclusively shown that, taking the two years 1889–90 and 1890–91 together, the Government have more than done their duty in this respect; for they propose to apply, on the two years taken together, Rx. 4,171,000, for the purposes for which the policy of a yearly special surplus of Rx. 1,500,000 was adopted.

See paragraph 20 of Statement.

"That is, they have proposed to apply to these purposes over Rx. 4,000,000 instead of 3,000,000 in the two years.

"Thus, if they gave back the contribution of Rx. 490,000 to the local governments, they would still have applied over three millions and a half to the purposes intended by the words 'Famine Grant.'

"The conclusion seems to be irresistible that there is no justification to be found on the face of the Financial Statement for the retention of the contribution, but a demonstration that it is unnecessary. If so, the first principles of justice call for its refund to the local governments.

"There is another important point, the taxation of litigants in the civil courts, which I must call the attention of the Council to.

"The Financial Member has given some figures in the Resolution of the 11th of January last. I accept these figures with the same reserve as they are offered. Taking them as correct, what do they show? They show that the administration of civil justice in India costs Rs. 2,14,27,000, over two crores and 14 lakhs, or Rx. 2,140,000.

"Of

"Of this, all but the small sum of Rs. 12 lakhs, Rx. 120,000, is obtained by taxation of the litigants.

"There is a separate provincial machinery for the administration of justice in each Province. The result is that the Bengal litigants are taxed 14 lakhs more than the total cost of civil justice in that Province. Justice in Bengal pays its own way and contributes 14 lakhs to the general revenues.

"In Madras the litigants pay for the machinery, but yield no surplus. In Bombay the litigants contribute two-thirds of the cost, and the General Finances contribute the rest, 10 lakhs. In other Provinces the litigants contribute a certain amount of the cost, and the Government the rest. The nett result, as I said, was that the litigants contributed Rx. 2,000,000 and odd, and the general public only Rx. 120,000.

"A number of serious questions arises on this state of facts—

"(1.) Are the litigants unduly taxed?

"In the Statement of Objects and Reasons of Act XXVI. of 1867, we find the following statement:—

'It is not contended that the expenditure on courts of justice should be met in full by a tax on such individuals of the community as alone resort to the Courts, because it is manifest that all classes of the community have a more or less direct interest in the administration of justice, especially of justice in the criminal courts. But it is only reasonable that those who resort to the courts should contribute a larger proportion than the general public, to the support of them as institutions by which they more than others are immediately benefited.'

"In 1870, in the debate on the motion for leave to introduce a Bill which became Act VII. of 1870, Sir H. S. Maine said:—

'The true doctrine was that the litigants and the general tax-payers should each contribute something. Nobody denied that the litigants benefited by the Courts, and nobody would deny that the rest of the community derived some advantages. What the proportion paid by each should be was a question not of theory but of experience, to be equitably settled by Government as trustee for all.'

"The time has now come when the civil litigants over the Empire contribute the whole cost less 12 lakhs, while Madras litigants contribute the whole cost in their Province, and Bengal litigants 14 lakhs more than the whole cost in Bengal.

"The question is a serious one, and, in view of hopeful financial prospects in future, I bring it before the Government for their consideration.

"(2.) Why do Bombay litigants contribute two-thirds only, and why does Bombay show a deficit of 10 lakhs and Bengal a surplus of 14?

"Is it that the Bombay establishment and expenditure is extravagant, or that the Bengal establishment is starved?

"There is something here that demands inquiry, and there ought to be a Commission of Inquiry.

"(3.) Taking the provincial judicial system as separate, it is clear that Bengal litigants, who pay so much, have special claims to have an efficient administration of justice; but the complaints on all sides are long and loud. I drew the attention of the Council to this in my remarks on the Budget last March.

"I do not desire to weary the Council by going over the same ground again. The provision of 30 Munsifs (less than half the number demanded by the High Court) has proved wholly inadequate to work off the arrears.

"The litigants of Bengal who pay more than the whole cost cannot get their cases tried. The zamindars whom the Government sells up remorselessly when they do not pay by the sunset of the appointed day cannot obtain the necessary facilities for the recovery of their rents. The Munsifs are terribly overworked, and there is much sickness among them in consequence. They still try cases in ill-ventilated huts. A commission was appointed. The report is not out, but it is evident there must be an increase of Munsifs or an increase of summary powers.

"The rent-suits, though small in amount, involve issues momentous to the parties and to the community. What is apparently a suit for arrears of rent may involve vital questions as to area and rates of rent. The High Court has refused,

and I think rightly, to allow these suits to be decided summarily like small cause court cases.

"It is no doubt right to have a full inquiry before making permanent arrangements, but adequate temporary arrangements should have been made. They have not been made.

"The ministerial officers of the court are too few and under-paid. Much of the business is carried on gratis by apprentices or 'hangers-on' who hope to succeed to places.

"This produces irregularity and delay and suspicion of unfairness.

"That a Province where the litigants pay all the costs of civil justice and yield a surplus of 14 lakhs to general revenue can get no better administration of justice than this is, to say the least, unsatisfactory. This state of things has grown up gradually, and is not the fault of the present Government or of any one here present, nor can it be removed by a stroke of the pen. What I complain of is that prompter measures have not been taken to alter this state of things, which was originally pointed out by the High Court, I think, in 1887. I trust no time will now be lost; but nothing can be done by the Provincial Government without funds.

"A word as to the Home Charges.

"I am not one of those who hope to get rid of them, or to prevent their being very heavy. That is unavoidable in the present state of things, and I see no remedy for it. But I wish I could feel that the charges on the other side of the water were subject to the same rigid scrutiny as those on this side.

"The transport charges are very heavy. I am not certain that the charges made by English Departments for the repair of transport ships would be allowed if they had to pass the scrutiny of our Public Works Member. I should like to see the expenses of the India Office submitted to a scrutiny as close as that of our recent Finance Commission.

"I am glad to see that we are getting to the end of the charges mentioned in paragraph 56 of the statement as 'Arrears of Home Charges on account of British Troops in India—effective.'

"If my memory serves me, this was a retrospective demand of two millions sterling made by the War Office, or some other English Department, on India some years ago, which has hampered us in our years of depression. I think it was stoutly resisted by the Indian Government, and that the weakness (if any) was on the other side of the water. I am glad to learn we are getting to the end of it.

"The finances of India are administered with a single-minded desire for the welfare of the country, but mistakes and shortcomings are inevitable, and those who are mainly concerned with Imperial problems which occupy the foreground of their thoughts may profit by being reminded that the bulk of the people look mainly to the concerns of their own daily life. Those concerns are mainly in the hands of the Provincial Governments, and any appeal to subordinate Provincial objects to Imperial ones, except in cases of great emergency, is to most people like an appeal to subordinate the present life to dim hopes of a future one. Their first prayer is for daily bread.

"I do not ask the Imperial Government to neglect Imperial matters. I only ask them not to lose sight of our present necessities in pursuit of possibly higher objects."

The Honourable Sir CHARLES ELLIOTT said:—

"I am glad to have the figures at hand which enable me to answer the question which has been directly put to me by my honourable friend Mr. Evans, and I will also take the opportunity of replying to the remarks which fell from the honourable Sir Alexander Wilson, who inquired whether it is possible for the Government of India to make any statement of its policy in regard to railways. First, with regard to the Honourable Mr. Evans's questions as to the manner in which it is proposed to appropriate the 375 lakhs which will be devoted to the construction of canals and railways during the year 1890-91. The first item in that expenditure consists of 55 lakhs devoted to canals. These are mostly large irrigation works in the Punjab, the North-Western Provinces, and Madras. In the Punjab there are two great canals in progress—the Sirsa Project,

Project, which is a branch of the West Jumna, and the Chenab Canal. Both of these works will open out large tracts of dry land which are extremely fertile if only water can be supplied. And I venture to say there is hardly any item of our expenditure which will be so remunerative as expenditure on canals in the Punjab. In the North-Western Provinces the work in hand is chiefly the extension of the distributaries of the Lower Ganges Canal, which have long been held in suspense in consequence of the failure of the Nadrai Aqueduct. In Madras the chief works they have in hand are that great engineering work, the Periyar irrigation scheme, and also the extension of the distributaries of the Godavari system. These are the main objects on which will be concentrated the expenditure of 55 lakhs, and I only wish that we could grant a larger amount of money to be spent under this head.

"Deducting 55 lakhs from 375, we are left with 320 lakhs for railway expenditure, which may be divided into three heads, namely, expenditure which is continuous, expenditure which is obligatory, and expenditure which is optional. The continuous expenditure, which recurs year after year, is the grant of 70 lakhs for what is called Open Line Capital on State Railways, that is, for extensions and improvements which the increase of traffic requires on State lines. These are improvements rather than extensions. Hardly any new mileage is added to the railway system by this expenditure. Taking 70 lakhs from 320 lakhs, 250 lakhs remain for the construction of new lines of railway. Of this, about 184 lakhs will be obligatory expenditure in 1890-91, that is, will be devoted to works which we have begun and must finish. The principal one is the Villapuram-Guntakal line in Madras. The completion of this line will, we hope, take place about April 1891, or soon after. This is the last of the more important of those great famine protective lines which were set agoing originally by the Report of the Famine Commission, and were taken up and brought into a regular programme in Sir Theodore Hope's time, and have all now been carried out with this exception. About 50 lakhs must be spent on military lines which we have begun and shall complete this year. We also propose to spend 50 lakhs upon the extension of the railway system in Burma, and here I may say that nothing has ever been more remunerative than the construction of the Toungoo-Mandalay Railway, which was opened about this time last year. It has not only paid its working expenses but also the interest upon the capital laid out, which, I believe, can be said of no other railway in its first year. There is good reason to hope that the extension we are now carrying out in the Mu Valley will also prove remunerative; but, whether it does so or not, the construction of this line will be of the highest importance for the development of Upper Burma, and in providing for its military and administrative necessities. The Government of India propose to make this a continuous item of expenditure, and to set aside 50 lakhs every year for railway purposes in Upper Burma.

"This leaves us with only 66 lakhs out of 320 lakhs, for optional expenditure during the current year on new schemes. The programme for expenditure under this head is not absolutely settled. There are a number of projects before the Government of India, on which survey work is now going on. Until these surveys are completed and the estimated cost worked out, we cannot say with entire certainty which of these lines will be taken up first, or second, or third. We shall be guided very much by the survey reports, in our arrangement of them according to their urgency and probable remunerativeness. As far, however, as we can see, it seems probable that we shall be able to start the East Coast Line after the rains, and possibly some other lines may be taken up; but it would be premature at present to say what will be done.

"The schemes before the Government of India which are now under survey are chiefly connected with the different sections of the rival lines which have been proposed to run between Benares and Calcutta, and for the purpose of straightening the Bengal-Nagpur line and bringing it more directly to Calcutta, instead of carrying the whole of the produce of the Central Provinces round by Assensole. The surveys of all these lines are expected to be completed and the reports to be sent in in the course of the rains; and before the working season begins the Government ought to be in a position to say which of these lines should be taken up.

"As, however, my honourable friend's question probably was meant to extend

beyond the year now opening, and to refer to subsequent years also, it will be well to mention that what I have called the obligatory expenditure on lines now in hand will be reduced year after year, and a larger margin left for what may be called optional expenditure on new schemes for commercial railways which we hope to take up. As compared with the 66 lakhs of the present year, we expect in 1891-92 to have rather more than 200 lakhs, and about 300 lakhs in the two years succeeding, to devote to these objects. With these sums it is hoped we shall make substantial and satisfactory progress.

"This leads me to one of the two remarks touching my department which fell from my honourable friend Sir Alexander Wilson, who said that the sum of 6½ crores set down for expenditure on railway construction in the present year is a smaller sum than is compatible with a satisfactory rate of progress in future years. His reference was apparently to the table given in the 51st paragraph of the Financial Statement. It will be observed that the details of expenditure are given in that table under three heads—(1) the construction of State railways by the State; (2) the construction of State railways in the hands of companies; and, (3) the extension and improvement of guaranteed lines. This last head—the development of guaranteed railways—is of the same nature as the 'Open Line Capital,' which I have explained already. It meets new wants as they arise, and provides for the opening out of new stations, the increase of sidings, the larger supply of buildings and quarters, water-supply, workshops, and so on. But it does not correspond to any increase of mileage in railway construction. The figures show that on the construction of State railways we have spent during the last 11 years 73½ crores; but, out of that, 34 crores and 40 lakhs have been spent in the purchase of four lines, the Eastern Bengal Railway, the Scinde Punjab and Delhi, the Oude and Rohilkund Railway, and the South Indian Railway. That leaves 38 crores and 90 lakhs spent on actual construction, which, divided into eleven years, is almost exactly 3½ crores a year. This is slightly more than what we intend to spend in the coming year, namely, 3 crores and 20 lakhs, but considerably less than what we hope to spend the next year after, or 4 crores; and in the two years following, if all goes well, our Finance Minister hopes to be able to make a grant of 4½ crores for railway construction. So that, as far as State railways are concerned, the progress of construction will, for the immediate future, be accelerated, and not retarded.

"The second column of the table in paragraph 51 shows the expenditure on State railways constructed through the agency of companies; it amounts to 22 crores in the last seven years, or about 3 crores a year. These sums have chiefly gone to the three large companies—the South Mahratta, the Indian Midland, and the Bengal-Nagpur—which were started about seven years ago. These lines were designed to traverse the areas which were most in need of protection from famine, and the Bengal-Nagpur Railway was intended to open out the most fertile part of the whole of India—the Chhattisgarh plateau—so as to enable food, which had hitherto been landlocked, to be exported for the consumption of the people. These railways were placed in the hands of companies with a guarantee upon the capital—in the one case of 3½ per cent. and a share in the net earnings, and in the other two cases a guarantee of 4 per cent. with a share of the surplus profits. Thus, we have spent on an average, in the last 11 years, 6½ crores a year—3½ crores through the State, and 3 crores through guaranteed companies. But these guaranteed companies have now done their work, and the main question of importance is whether the system of guarantees should be continued, or revived in the same form, or under any modification or disguise.

"To answer this question would be to answer Sir A. Wilson's inquiry as to what the railway policy of this Government is; and it can hardly be expected of me at this brief notice to give a full and exhaustive statement of it. But it may be useful to touch briefly on some of the most important heads of our policy. Looking at the system of employing guaranteed companies of the old class, however much we may admit that the creation of these companies was justified by the fact that it would hardly have been possible for the State at that time to have raised the whole of this capital on its own credit, it cannot be denied that it is not economical to raise money at 3½ or 4 per cent., through the agency of companies, when it can be raised by the State at 3 per cent., as is the case now. Therefore, it is not the policy of Government to encourage the

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creation of any more companies on terms corresponding to those I have just mentioned, by which the capital raised by the shareholders, while subject to no risk, is secure of receiving a larger rate of interest than capital would receive which was lent to the Secretary of State on the security of the Government of India. If we can borrow at 3 per cent., it seems unnecessary to go to a company to ask it to borrow for us at 3½ or 4 per cent. Companies created on these terms have been called efforts of 'private enterprise;' but I think it will be admitted that this term cannot properly be applied to cases where the capital is supplied on a direct or virtual guarantee of receiving a larger rate of interest than we need to offer in the open market. There is, however, another form of private enterprise which thoroughly deserves the name. I can refer to two companies which afford an admirable example of genuine private enterprise, where the shareholders have put down their capital without any direct guarantee from the State, trusting only to the productiveness of the country, and to economy in building and good management in working the lines. The Bengal and North West Railway Company is the earliest instance of private enterprise of this kind, in which the shareholders raised the capital, and constructed, and are now working, the line. The next development was that afforded by the Delhi-Kalka Company, which only constructs the line, and leaves the East Indian Railway Company to work it, the shareholders receiving a fixed proportion, 50 per cent., of the gross earnings. Private enterprise of this kind the Government of India is anxious to encourage to the largest possible extent, subject to certain broad principles which must govern the selection of projects, and the sanction without which they cannot be started. It would be impossible to allow promoters to come up to Government with possibly ill-digested schemes in their hands, and to obtain leave to run a line here, or run a line there; it is essential that the scheme should be subjected to careful examination as to which was most likely to be useful and remunerative, and to fulfil all commercial and administrative wants. It is necessary carefully to criticise these schemes, and to apply to them certain broad principles which have been laid down after elaborate discussion. I shall mention here the four chief principles.

"The first of them is, that we object to a multiplicity of companies, and aim at having a few large companies rather than many small ones. It is easy to understand how desirable a thing it is that the staff which manages a railway should be fully employed, and not have a system of only 300 or 500 miles to work when it is capable of managing 1,000. The Delhi-Kalka Railway is an instance of an undertaking which, if it were going to depend on its own staff for its working, would be too small for economical management; it was a wise policy in the shareholders to arrange that it should be worked by the East Indian Railway Company.

"The second principle laid down is that of territorial jurisdiction. Every railway which has been started should have a prior right of supplying the whole of the tract which it serves. It cannot be tolerated that another company should be permitted, if it finds a small and profitable tract of country adjoining that railway, to construct a branch or feeder line, alien in interest to the main line. The first choice should be given to the railway which serves that tract; and, as far as possible, every railway system should have its area marked out, and every development and extension within that area should be carried out by the trunk line.

"The third principle relates to the very vexed question of the gauge. It was laid down by the Parliamentary Committee of 1878 that the metre gauge should not be introduced into a broad-gauge country, unless the probable traffic is so light that it would not pay to construct a broad gauge. This, however, is a principle which is difficult of application. Hardly any project of a new railway could be considered, and, as a matter of fact, hardly any project has been considered, as to which arguments could not be used, and have not been used, in favour of one or other gauge. The question has been very much discussed, and our object has been, as far as possible, to fix the areas to which the metre-gauge and the broad-gauge system should respectively be confined. As regards the metre gauge, we have one tract in the south and south-west of India where the Southern India and Southern Mahratta Companies (both metre-gauge lines) are in possession, and there it is but natural that any extensions now made should be of that gauge. Similarly,

north of the Gogra, we have the Bengal and North West Railway, the Tirhoot, and Northern Bengal Railways; and there, too, the metre gauge has been established. But on the great central part of the peninsula of India there has been considerable admixture of the two gauges, and the feeling has grown in strength that the break of gauge involved in this admixture is a serious evil, and will be more and more an evil as traffic increases. Very strong and valid reasons will be required to get over this objection to the extension of the metre gauge, or the construction of new metre-gauge lines within this central area. The question is still under consideration, but we hope we shall be able to lay down definite rules as to the tracts of country to which the broad gauge should be entirely confined, so that, when a new project comes up for sanction, the question of the gauge should be eliminated, and we should no longer have first of all to fight out the dispute on what gauge it is to be constructed.

"The fourth principle is one which is somewhat akin to that which I mentioned first, the objection to the multiplication of small companies. It is, that a company should not be allowed to take up only the best and most remunerative part of a large scheme. It should not, so to speak, be allowed to occupy the neck of the bottle, and compel the traffic of a whole tract to pass over it, without giving it any assistance. It must take the whole scheme, and not select a part of it. As an instance of what I mean, I may refer to a project which begins to assume a somewhat prosperous appearance, the railway from Chittagong to Assam. Several promoters have seen that the southern portion of that country, between Sylhet and Chittagong, will probably prove profitable, because it runs through populous and productive tracts of country. But everyone can see that the northern portion must be very much less productive, and the Government of India has steadily refused to give to those promoters the southern portion alone unless they agree to take the northern portion also.

"These four broad principles are the most important of those which have been laid down by the Government of India for its guidance. And the railway policy of the Government may be briefly described as a policy of carrying out the extension of the railway system, subject to these principles, and mainly in two ways; first, by pushing on the construction of new lines through the Railway Department of the Government with State funds; and, secondly, by giving all possible encouragement to genuine private enterprise, using the term in the manner and with the limitations which I have already described."

The Honourable RÁJÁ DURGA CHARN LAHA said:—

"I spoke last year, on an occasion similar to this, rather despondingly of the future, not knowing what might arise to disturb the financial equilibrium in such a vast concern as the Government of India. Happily, however, not only no such disturbance occurred, but almost every source of revenue showed improvement beyond expectation, and I am glad that the honourable Finance Minister has thus been enabled to produce a most successful balance sheet.

"He said last year that his deliberate conclusion was that, while there was every need for economy and for husbanding the revenue, there was no ground for despondent or pessimist views. 'Unless some unforeseen disaster occurs,' he added, 'there is every reason to hope that the lapse of two or three years will show a decided improvement in the financial position of the Government of India.' His anticipations, I am happy to find, have to a great extent been realised this year; and, with his decided expression of opinion as to the need for economy and for husbanding the resources, it would be unnecessary on my part to ask him to continue his watchfulness in these respects in the future, as he has so ably done in the past.

"The honourable Finance Minister proposes to partially restore the Famine Grant, and has stated the importance which is attached by the Government of India and the Secretary of State to the maintenance of such a provision. To my mind the name 'Famine Grant' is a misnomer. It is this name which has misled the public mind. People naturally thought that the object of the

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grant was the provision of funds for the actual relief in time of famine of persons who were in distress. This has never been the exclusive object of the grant, as I can testify from my personal knowledge, having been at one time one of the Commissioners connected with the fund. When the policy of strengthening the finances in connection with famine was originally adopted, it was intended to employ a portion of the surplus every year in the direction of reducing debt. This policy was slightly changed in subsequent years, and it was decided that one-half of the grant should be devoted to the construction of railways and canals which would protect the country from famine, and the other half applied to the reduction of public debt. There was a further departure from the original policy when it was determined that the grant should be appropriated to meet loss arising from protective railways, and that the interest charge on certain railways should also be a charge against the grant. All this shows that the views regarding the grant have been constantly changing, and there is no wonder that there should be misapprehensions in the public mind regarding its nature and effects. The complaints which have been frequently made regarding its misappropriation have arisen from such misapprehensions, and it would be as well to remove the cause in which they had their origin. The main object being simply reduction of debt and construction of protective works, where is the necessity for calling the present appropriation of the surplus by the name of 'Grant for Famine Relief and Insurance?' So far as I understand it, it is nothing but a reserve fund. 'In practice,' to use the words of the Finance Minister, 'it is an insurance against temporary financial disaster of any kind.' I should, therefore, think that, if a name must be given to it, I would suggest that it should be called simply a 'Reserve Fund.' If the Finance Minister would, in a prosperous year, lay by Rx. 1,500,000, and apply a certain portion of this amount to the reduction of public debt, and the balance to the construction of protective works, the object aimed at would be attained without creating mistaken ideas in the public mind. If at times of financial difficulties no surplus could be reserved for this purpose, or if public exigencies required that the grant should be employed in a different direction, no valid complaints could then be made for misappropriation of a grant which, under an inappropriate name, has so long misled the public.

"It is very satisfactory to note that there has been a large improvement, under some of the principal heads of Civil Revenue, of a permanent nature. The increase shown under Land Revenue can be always depended upon as certain and safe. It is a matter for rejoicing that all provinces participate in this improvement. Burma is contributing her share, and the Central Provinces, the North Western Provinces and Oudh, and the Punjab, are showing large increases. The system of periodical settlements in these provinces accounts for this improvement, and I observe that fresh settlement operations are showing increase of revenue. Without entering into the question as to the advantages or disadvantages of periodic settlements as compared with a permanent settlement, I am bound to say that great caution ought to be exercised by settlement officers in assessing land. Some of them are carried away by the idea that a revised settlement carries with it a necessity for an increase of revenue, and in the name of improvement great hardship is sometimes inflicted on landholders in the shape of over-assesment of their estates. It is certainly a source of satisfaction that there should be increase under Land Revenue, because this is a source of income from which elements of uncertainty can to a great extent be eliminated; but, whenever I hear of a large and rapid improvement, I feel a certain amount of doubt as to whether this has been effected without inflicting hardship on the landed classes.

"The Estimates of income, I find, have been prepared with moderation. Nothing approaching to any certainty, however, can be said regarding Opium and Exchange. They are subject to such fluctuations that it is extremely difficult to make any satisfactory estimate regarding them. Opium has been taken at 1,060 rupees per chest, and Exchange at 1 *s.* 4·552 *d.* These I consider safe figures, and, however great the fluctuations may be, the net results, in all probability, will be satisfactory.

"I must recognise the immense difficulty of preparing a Budget Statement for a country like this, where the financial conditions are constantly fluctuating.

The one before this honourable Council appears, however, to have been framed with great care and judgment, from data to which no exception could be taken, and I congratulate the honourable Finance Member on the marked success which has attended his financial management of the empire.

"It is too early yet to speak of any remission of taxation. There will be time enough next year to think of it, if the position of affairs continues to be prosperous."

"The Honourable SYUD AMEER HOSSEIN said:—

"My Lord, one cannot but rejoice at the hopeful condition of the Budget that is before us. I entirely share the satisfaction which has been expressed thereat by the exponents of public opinion in this country, and I must congratulate the honourable Finance Minister upon his careful management of this very important department of the State, no less than on his masterly exposition and happy forecast of the financial position of the empire.

"It will, no doubt, be gratifying to your Excellency's Government to have already been able partially to restore the Famine Grant, with the prospect of the complete restoration within no immeasurable distance of time. Indeed, by the light of the explanation which occurs in paragraph 20 of the Financial Statement, one may not unreasonably expect that the Famine Grant for the years 1889-90 and 1890-91 will be more than restored by the end of the next financial year.

"My Lord, it will be in the recollection of your Excellency that last year, from my place in this Council, I addressed a prayer for the relief of such tax-payers of all denominations under the Income Tax Act whose annual income varies from 500 rupees to 1,000 rupees. I fully explained how hard the tax pressed on these poor people. That prayer did not meet with a favourable response, and I should have hesitated much before I could gather courage to renew my appeal; but, with the present Financial Statement before me, and the happy augury for the future, I once more venture to renew my application. It is particularly encouraging to note the following paragraph in the Financial Statement:—

'There are, therefore, strong grounds for holding that in 1891–92 we shall, at least, find ourselves in a position of comparative ease, with a surplus in hand, moderate in amount, but sufficient to allow of some improvement in financial conditions.'

"I sincerely hope that no unforeseen event or adverse circumstance may overtake these expectations, and the surplus of the coming year may grow with the same leaps and bounds as in the present year. In the full belief in the justice of the cause I have undertaken to advocate, and in the moderation of my request, I earnestly implore that your Excellency's Government will be pleased to grant the relief I have asked for, by taking an early opportunity to exempt all annual income below 1,000 rupees from the operation of the income tax law."

His Honour the LIEUTENANT GOVERNOR said:—

"I have to join the general chorus of congratulation to the honourable the Financial Member on the successful Budget which he has laid before the Council, and on the exceeding lucidity with which he has explained it; but I hope he will not take it ill if I introduce the little rift in the lute upon one single point, in which I am glad to find that I have already been, to a very great extent, discounted by the honourable Mr. Evans. I need not tell you that I refer to the contributions, the enforced benevolences, which were taken from the Provincial Governments during the current year. It is scarcely necessary I should remind the Council of the state of affairs which led to this contribution. This time last year the expectations founded upon the regular Estimates of the year then current, and upon the Budget Estimates of the year which is now closing, were both rather sad. It was supposed that it was difficult to make both ends meet, and a sum of nearly 50 lakhs had to be levied by contributions from the Provincial Governments, and even including that contribution the estimated surplus was only Rx. 106,000. Well, under the circumstances, the Local Governments were called upon to contribute, and they did contribute. The share of the Bengal Government was 10 lakhs,

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and, as I had occasion to say, it was contributed with very great difficulty. Our contract had not proved a very profitable one, that is to say, we have had extreme difficulties to contend with in Bengal. We have spent large sums of money in famine expenses, and our receipts, specially in the department of excise, have diminished very considerably; and the result is, we were able only with considerable difficulty, by refusing the most reasonable requests, by, as my honourable friend said, starving the administration, to show in our Budget the necessary surplus which the Secretary of State does not allow us to fall below, namely, 20 lakhs. In other words, we have had nothing absolutely to spend upon any fresh developments, or anything beyond the maintenance of things as they are. It was no doubt perfectly right and proper that, in the state of affairs as they were then described, the Local Governments all round should be called upon to assist the Imperial Government. I think it was generally accepted, and I do not know whether there was a dissentient voice; but it was just and proper only because the state of affairs in which the Government of India stood financially seemed to be a very grave and difficult one. Now, the whole forecast of that period has been happily dispelled. Instead of a nominal surplus of Rx. 106,000, we look forward to an actual surplus of 2¾ millions. Under these circumstances I certainly should have expected that the first thing which would occur to my honourable friend in charge of the finances would be to consider, 'ought we not to give back the money we have taken from the Provincial Governments?' I find in his Budget statement nothing which shows this, nothing to show that the idea of restitution had ever come under his consideration; on the contrary, the whole amount is deliberately retained to swell a surplus already so large that for very decency it is spread over two years, and the money is to be devoted to reviving the policy of what is called the Famine Grant, and partly to assist in paying in one year for the very large cost of re-arming the army. Now, what I venture to say is that, had the state of things which exists now been known a year ago, had my honourable friend known that he would have this huge surplus, and that, so far from wanting to make both ends meet, it would seem difficult to dispose of the surplus, I feel sure it would never have occurred to him to ask for this contribution from the Local Governments, because, though it is perfectly right that those Governments should contribute in times of grave crisis to the Imperial Government, yet it must be admitted that to take a contribution under any circumstances from a Provincial Government during the period of contract cuts at the basis on which that contract system is founded. The theory of the contract is, that certain charges and receipts are made over to a Local Government in such a way as to balance each other; and, if the Government by good management or other circumstances succeeds in saving anything on one side, it is at liberty to devote that sum to developing and improving its administration on the other. Consequently, when under the stress of necessity the Imperial Government comes down upon the Local Government and takes away its small accumulations, it breaks down the whole object for which this contract system was established. It takes away from the Local Government all impulse for accumulating its reserves, when it finds that, as soon as it has done that, the money is spent upon some other purpose with which it has no concern. Therefore, I think I may say without hesitation, that it would not have occurred to the honourable the Financial Member, had the circumstances as they now are been foreseen a year ago, to have asked for this contribution; and, if that is so, there is no reason why the money, which was taken under one set of circumstances, should not under another set be now returned, and that that which was taken under a misapprehension, which is now made clear, restored. It may be said that there will be inconvenience in doing this. I am not, of course, in the best position to judge of the force of this argument, but I think that, so far as the money devoted to the Famine Grant is concerned, the inconvenience is not very serious. As to the Famine Grant: here I may be allowed to offer my congratulations to the honourable the Finance Member for having done much to dissipate the absurd ideas, which still float about occasionally in the press, as to the meaning and history of the Grant, and to render it impossible for any one to talk hereafter about malversation and misappropriation, as if the money was put into a separate purse. I fully appreciate the policy of devoting, in times of surplus, sums of money both to diminishing debt and also to expenditure upon unpro-

ductive but protective railways. Still I do not think that, when a sum of four millions is so devoted, there should be much difficulty in restoring the half million which was substantially received from the Local Governments. I can only ask the honourable Member to recollect that the loss of the sum which was contributed by my Government is a very serious deficiency indeed, and puts us to grave inconvenience. It prevents us from doing much that we ought to do. We want every rupee we can collect, for, as matters stand, we are prevented by our poverty from answering the complaint of the high court as to the paucity of judges and the want of judicial establishments. We are prevented from improving the police in the way the Government of India have asked us to improve it, and are unable even to maintain our necessary public works in a proper state of repair. I can only therefore ask the honourable Member to consider the possibility of restoring to us the contribution which we have made, and I can assure him that it will be an important boon at least to the Government over which I preside.

"There was another point which was alluded to by the Honourable Mr. Evans, and on which I should be glad if I were able to give him the information he wants. It was in reference to the Commission which was appointed to inquire into the sufficiency of munsifs and judicial establishments. The Commission was divided into two parts, one to inquire into the sufficiency of munsifs, and the other into the needs of judicial establishments. The report on the first point was sent in to the high court a few months ago, but has not yet come to me, and the inquiry into the other is still going on, and is not yet complete. It is, therefore, out of my power to give any information as to what has been recommended, but I can assure him that we shall be quite ready to carry out any recommendations that may be approved and may be financially feasible, without any avoidable delay."

The Honourable Mr. HUTCHINS said:—

"The Honourable Mr. Evans was good enough to inform me that he would again draw attention, as he did last year, to the obligation which attaches to the Government to supply more tribunals to cope with the ever-increasing litigation of Bengal. I have, therefore, on this occasion brought with me the resolution on the subject which the Government of India issued early in March of last year. At that time the high court had reported that a large number of additional courts were required, as many as 66 munsifs and six subordinate judges. Their representations had been referred to the Local Government, and his Honour had questioned the conclusiveness of the statistical argument by which the high court supported its demand,

'and, while not withholding his concurrence from the view that some increase in the civil judicial staff was necessary, has called attention to the expense which would be entailed by increasing the staff in proportion to the "progressive fecundity of litigation," and to the necessity to which this consideration pointed of devising some other methods of coping with the increased judicial business of the country.'

"The letter containing these remarks bears date 24th October 1888, that is to say, some months before the conference at which it was decided, among other things, that the existing contracts should not be interfered with and that Bengal should contribute to Imperial funds a lump sum of 10 lakhs. I took up this financial objection first, and the resolution deals with it in these terms:—

'The first question was of a preliminary character, namely, the question whether, in point of fact, substantial grounds existed for the apprehension felt by the Bengal Government that the provision of courts in proportion to the growth of legal business would throw upon the provincial revenues an undue financial burden. An examination of this matter has satisfied His Excellency in Council that there is at the present time no substantial basis for any such apprehension in Bengal. An addition to the number of courts in proportion to the work to be done has hitherto been beneficial to the provincial finances in Bengal, while it has also been advantageous to the people; and the Governor General in Council sees in the circumstances disclosed in this correspondence no reason to think that, for some time to come at all events, this state of things should not continue. Apart from this consideration, however, it is, in the opinion of the Government of India, the duty of the Local Government to provide as many courts as may be proved to be necessary for the disposal of the business brought before them.'

In other words, we came to the conclusion that probably every additional court would go far to pay its expenses, and that, whether this may be so or not, whatever number of courts is really required must be supplied. It will be evident,

evident, therefore, that it was no mere financial consideration which stood in the way of an immediate concession of all that the high court demanded; but, after examining the grounds upon which that demand was based, I was not satisfied that there was not in many districts a considerable waste of judicial power, and that their necessities, as the resolution puts it,

'could not be met more economically by investing the existing or even in some cases a less number of courts with extended or more summary powers, or by dividing the time of subordinate or additional judges between two or more districts.'

"I was not without experience in such matters, as I had been through a very similar phase of controversy in the Madras Presidency; and I found that in many places in Bengal ordinary small causes were still tried with all the elaborate procedure applicable to regular suits, that the statutory power to confer higher jurisdiction on selected munsifs had never been exercised, and that the power to authorise the summary disposal, as small causes, of suits relating to rent had also remained a dead letter. I am quite aware that, as my honourable friend has stated, some rent suits may raise difficult questions, but at all events in many of the districts the great majority are of the simplest character possible. This was just one of the questions which the Commissioner was appointed to consider, are there no districts in which rent-suits can safely be tried as small causes and with a summary procedure?

"In these circumstances the Government of India could not but admit that his Honour had some ground for hesitating to accept the high court's estimate of actual requirements; and we resolved to appoint a special officer of experience, selected by the court, to aid the chief justice and judges by carrying out that detailed scrutiny of the position and wants of different districts for which their Lordships themselves could not possibly find time, having regard to their other arduous and important functions. Meanwhile, and as his Honour explained last year, as a provisional arrangement, simply to keep down arrears pending the inquiry, we sanctioned the continuous employment first of 30 additional munsifs and three subordinate judges, and subsequently of six more munsifs, besides four subordinate judges for different temporary periods. In other words, we have given 36 munsifs and seven subordinate judges against the high court's estimate of 66 munsifs and six subordinate judges, and against the Lieutenant-Governor's offer of 33 munsifs and five subordinate judges as the utmost to which he could see his way to consent.

"I regret quite as much as the Honourable Mr. Evans that the final settlement of this matter is still in abeyance. The Report of the special officer was submitted to the high court in November last, but, as I have already observed, their Lordships' ordinary work is of a very engrossing character, and the Report raises a number of local questions. Pending their consideration of the Report, and pending the submission of the remarks which I have reason to expect the high court will make on the necessity of large expenditure on court buildings and other accessories, I cannot discuss the matter further; but I may mention that the Report so far justifies our anticipations, that, although it seems to me to have been framed on liberal lines, it calculates the present need to be 52 munsifs and three subordinate judges, against the original estimate of 66 munsifs and six subordinate judges, although it includes five munsifs for places at which the high court, writing in August 1887, had not considered that further assistance was necessary. If then the Report is accepted by the high court, 16 new munsifs will be required, and the immediate additional cost will be about 7,000 rupees monthly, a great part, if not the whole, of which will be met by additional fees on the new suits instituted. The honourable Member has remarked on the inefficiency of the subordinate establishments. As has been explained by his Honour, the same Commissioner with an executive officer has been ordered to examine into this matter also; but I do not think his report has yet been submitted. All I can say is, that no one can possibly feel more strongly than myself, as every one in Madras well knows, that judicial establishments ought to be strengthened and made as effective as possible. My honourable friend also suggested that we might have allowed more than the 36 munsifs, in the interval pending consideration of the Report. I am, however, glad to say that arrears have not increased in this interval, but rather the reverse. So at least I gathered from the Report at a first and somewhat cursory perusal.

"Perhaps I may add a few more words with reference to what has fallen from the Honourable Mr. Nulkar on the subject of uncovenanted pensions. The Government of India has all along consistently maintained (1) that the Uncovenanted Service has no legal ground whatever for demanding sterling pensions, and (2) that, if they have any equitable ground for complaint, their grievances ought to be laid before Parliament, and, if necessary, investigated by a Select Committee. The absolute correctness of our opinion on the legal merits of the case has now been admitted on all sides. It would be obviously improper for any member of the Government of India at the present time to enter into any discussion of the other grounds on which the claim now stands. These are *sub judice*, and before long will be fully heard and considered by an impartial Parliamentary Committee. I have no doubt that the honourable Member's observations will be read by every member of the Committee, and will receive from them all the consideration which they may be thought to deserve. The honourable Member made some further remarks on the result of the Public Service Commission, but I did not quite see how they were appropriate to this occasion; indeed, I rather think they were out of order. For that reason I do not propose to discuss that subject at present, but will content myself with saying that I think the instructions received from the Secretary of State will bring about, tentatively and by degrees, very nearly the same state of things which the Commission desired to introduce by an alteration of the law."

The Honourable Sir DAVID BARBOUR said:—

"The Honourable Mr. Nulkar has complained of the very limited information given in the Financial Statement regarding the Home expenditure, which is under the direct control of the Secretary of State. He has said that the information given in the Statement is confined to two vague entries of 'Bills drawn by the Secretary of State' and 'paid.' In this there is some misapprehension. The information given in the Financial Statement regarding the Home expenditure is precisely as full as the information given regarding the expenditure in India. If the Honourable Mr. Nulkar will turn to Statement B., he will find the whole of the English expenditure classified under the very same heads under which the Indian expenditure is classified. It is quite true that neither the Indian nor the English expenditure is set out in great detail in the Financial Statement, but it was never intended that this should be done, and it would be very inconvenient to do so. As it is, the Financial Statement is sufficiently bulky and complex, and I should be sorry to do anything that would add to the difficulty of mastering it. But, though I cannot undertake to set out either the Indian or the English accounts in detail in the Financial Statement, it is, of course, essential that full information on the subject should be available for the public. As matters now stand, such information is available. The Indian accounts will be found in detail in the Finance and Revenue Accounts of the Government of India, a book commonly known as the Yellow Book, published every year, and comprising nearly 250 pages of printed matter of foolscap size. The accounts and estimates of the Home expenditure, which are presented to Parliament and are published as a Parliamentary Paper, contain complete information regarding the revenue and expenditure in England. They are published in May of each year, and are received in this country in June or July. They are quite as voluminous as the whole of the present Financial Statement, and they can be consulted by anybody who takes an interest in them.

"Another complaint made by the Honourable Mr. Nulkar is that he has not had sufficient time to study the Financial Statement so as to criticise it effectively. The object of the Financial Statement is to explain the general financial position, to set forth the financial policy of Government, and to indicate the nature of any changes which it is proposed to make, and which have a bearing on the finances. It does not profess to set forth the accounts in full detail, or to contain complete information on every branch of the administration. For criticising the general financial position and policy of Government, and the expediency of any new measures which it is proposed to take, a week's study of the Statement appears to me ample, and more than ample. But of course it is not sufficient to enable a person who is new to the subject

subject to master the whole question of the Home charges. The question of the adjustment between the Indian and the English Governments of charges in connection with the portion of the British Army employed in India is excessively complicated and difficult, and the literature of the subject is very extensive. Many Committees have dealt with this question in the past; it has repeatedly been the subject of lengthy correspondence between the Government of India and the Secretary of State, and it is continually under discussion by the India Office, the War Office, and the Treasury.

"I should be glad if the Honourable Mr. Nulkar could find time to go into the question thoroughly; but for any proper discussion it is necessary that he should be thoroughly acquainted with the question beforehand, and not begin the study at the last moment when the Financial Statement is presented. It is needless to say that it would be a very acceptable result, if his labours should lead to a material reduction of the charges made against India on account of the portion of the British Army employed in India. The question has been discussed again and again by men of great ability and special knowledge of the subject during the last 30 years. Since 1879, a Commission has been considering it under the presidency of Lord Northbrook, whose presence on the Committee is a guarantee that the interests of India are not being neglected.

"The Honourable Mr. Evans has referred to certain arrear charges which we have had to meet on account of British troops. I am speaking from recollection merely, but I do not think these charges arose in the way in which he supposes. I do not think it is the case that a change was made in the mode of calculating the charge, that the change was applied retrospectively, and that consequently we were called upon to pay in respect of years of which the accounts had been closed.

"I believe the arrears arose in this way. The calculations by which the charges are determined are extremely complicated. It was impossible to determine the amount of these charges before the close of the years to which they referred. Consequently, the India Office only paid certain sums on account, and when the calculations were completed it was found that the sums paid on account did not suffice to meet the charges. In this way the arrears arose. What the Honourable Mr. Nulkar has said this year, and what the Honourable Mr. Evans has said both this year and last year, show that a considerable interest is taken in the Home charges. The question of the adjustments on account of British troops employed in India is one of the most difficult with which I have ever had to deal; but I will look through the correspondence, and, if I find that there is any correspondence or other papers that might with advantage be made public, I will propose, with your Excellency's permission, that they be published in the 'Gazette of India.'

"The Honourable Mr. Evans and the Honourable Sir Steuart Bayley have urged with much ingenuity and great earnestness that the contribution of 10 lakhs given by Bengal should be restored. It is probably true, as they urge, that, if we could have foreseen last year that 1889-90 would end with a considerable surplus, we should not have asked for these contributions; but I do not think it necessarily follows that they should now be restored. In the first place, the value to the Bengal Government of the 10 lakhs which it contributed appears to me to be exaggerated. It was not a contribution of 10 lakhs yearly, but of 10 lakhs once for all, or say 1,000,000 of rupees. Bengal contains about 70,000,000 of inhabitants, and I really do not think that an addition to the resources of the Bengal Government of a sum of one rupee for every 70 inhabitants would have added so much to the welfare and happiness of the people as appears to be supposed. The total amount is less than one pice per head of population, and I do not think that the loss of such a sum could materially affect the well-being of the people or the efficiency of the administration. In particular, I do not think that the Bengal Government has been prevented from carrying out the recommendations of the High Court by the want of this money. I have always understood that the question of money did not stand in the way, and that the recommendations were not adopted fully and at once, because it was not admitted that the whole of the changes proposed were necessary, I may be mistaken, but the question would assume an entirely new aspect if it were understood that the recommendations were just and proper in every way, and that they had not been completely carried out, simply because there was no money.

"But, whether the amount be great or small, the question is really one of principle, and as such I am content to deal with it.

"I am afraid that in politics memories are short and gratitude not common. I would ask the Council to recall what was the position some 16 months ago. It was then not a question of exacting a contribution once for all, but of tearing up the existing contracts, demanding a yearly contribution from each local government, and introducing a system under which the local governments would be called on to contribute, as a matter of course, in case of need, to the wants of the Government of India, while the Government of India was to be in the comfortable position of deciding for itself when the period of need had arrived. Strong objections to this change were raised by the local governments. As a compromise, it was arranged that the local government should pay certain sums once for all, and that the other questions should stand over for future discussion and settlement. All prospect of any such interference with local governments as was proposed 16 months ago has now disappeared. I am glad that this is the case, and I think the local governments have gained greatly thereby. I think we may fairly look on the payment made by Bengal as a payment made by way of compromise, and not as a payment made under a misapprehension. By that compromise local governments have obtained very great advantages. The representatives of these governments should recollect that they have not been deprived of their share of the recent prosperity. Their revenues have increased, and they are no longer in danger as regards their contracts. Bengal is the only government whose finances, so far as I am aware, are not in a flourishing position; but I would ask the Bengal Government to recollect that the payment it had to make was comparatively light, much smaller than that of Madras or Bombay, and that Bengal is the most lightly-taxed province in the empire.

"I look upon the gradual strengthening of the local government as the most important of the future reforms in Indian administration. It is in my opinion an evil of the first magnitude when the provincial contracts are interfered with, and I hope no such interference will ever take place, except on grounds of clear necessity. I do not wonder that local governments object to such interference, and it would be a portent of evil omen when they ceased to do so, because it would show that they had ceased to take an interest in the provinces committed to their charge. And as I am opposed to any hasty interference with local governments, so I am opposed to any reversal of such interference when it has once taken place. The exaction of a contribution from a local government is too serious a matter to be lightly undertaken when the Government of India is in want, and as lightly reversed when things take a turn for the better.

"It must also be recollected that, if we had returned their contributions to local governmenst, we could not have taken credit in 1890-91 for the sum of Rx. 490,000, which has just enabled us to restore partially the famine grant in that year. I think this is a consideration to which weight must be attached. It was very desirable to make a beginning in this matter, and thereby formally commit Government to the carrying out, as soon as possible, of a policy which has met with general approbation.

"The Honourable Mr. Evans expressed some diffidence as to his judgment on matters of finance. I think this was unnecessary. I have never known anybody who more clearly apprehended the fact that the famine grant was simply a surplus, and I have never known the case stated more accurately, or as clearly as he stated it to-day. I unreservedly accept his argument on this point, but at the same time I do not agree with him in holding that the famine grant ought to disappear, and that we should simply show a large surplus. A somewhat similar opinion was expressed by the Honourable Rájá Durga Charn Laha when he said that the famine grant should be simply called a reserve fund or grant, to be drawn on whenever the difficulties of the Government of India rendered it expedient to do so.

"The Honourable Rájá Durga Charn Laha speaks from experience of the nature of the famine grant, and his opinion has great weight with me.

"In principle I accept the soundness of his argument, and of that of the Honourable Mr. Evans, but there are certain infirmities of human nature which, in practice, make it expedient to maintain the famine grant. If we showed a large surplus every year, I am afraid we could not resist the attacks that would be

be made on it. The most convincing arguments would be brought forward to show that this or that proposed scheme for expenditure was of the most valuable character, and sooner or later, and probably sooner rather than later, the surplus would be eaten away.

"And, if we called the famine grant a reserve fund, and acknowledged that it might be broken into when difficulties arose, I am afraid difficulties would be of very common occurrence, and might even be created for the purpose of getting hold of the money. It seems to me that the safest and only method of safeguarding our surplus is to call it a famine grant, and in this way to ensure that its absorption shall not be effected, except as a deliberate act of State policy, which will attract public attention, and must be justified by very strong arguments.

"For this reason I am opposed to any change in the existing practice.

"In the Financial Statement I used the following words:—

"'There are, therefore, strong grounds for holding that in 1891-92 we shall at least find ourselves in a position of comparative ease, with a surplus in hand, moderate in amount, but sufficient to allow of some improvement in financial conditions.'

"It has been assumed in some quarters that these words foreshadowed a remission of taxation in 1891-92. I am sorry to dispel so pleasing an illusion, but I think it necessary to say that, to the best of my judgment, we shall not be in a position to remit taxation in 1891-92.

"The words I have quoted refer to the possibility of our being able to maintain in 1891-92 the partial restoration of the famine grant which has been carried out this year, and it may be to go a little further in the same direction. It is known to the members of this Council that the special credit of Rx. 490,000 which we are to receive in 1890-91 will not be forthcoming in 1891-92; and, in order to maintain in 1891-92 the famine grant at the amount fixed for 1890-91, there must be an improvement within 12 months of Rx. 490,000, while, in order to raise the famine grant in 1891-92 to the full amount of Rx. 1,500,000, there must be a further improvement of Rx. 467,200. The total improvement required to admit of the famine grant being raised to its full amount in 1891-92 is, consequently, Rx. 957,200. I doubt if the improvement will be so much, and in any case it would be rash in the extreme to assume that the improvement will exceed this amount, and yet, unless the improvement materially exceeds Rx. 957,200, there can be no remission of taxation in 1891-92.

"I am afraid that the state of things I have just described would of itself be fatal to the appeal so earnestly made by the Honourable Syud Ameer Hossein, that all incomes below 1,000 rupees should be exempted from the income tax; but apart from this aspect of the question I should like to make a few remarks on the merits of the case. In the first place, I would observe that the Government of India has not got an inexhaustible treasury on which it can draw at discretion for the purpose of remitting taxation. If taxation is remitted for one class, either an equal amount of taxation must be imposed on some other class, or a class which would otherwise have been relieved must continue to bear its burden. Judging by the standard of this country, I cannot admit that persons having an income of from 500 rupees to 1,000 rupees are poor people, in the sense of being people who ought to be relieved from moderate taxation on the ground of their extreme poverty. Their income is from 40 rupees to 80 rupees a month, and I am afraid that that is a comparatively good income in this country. The question, then, becomes a very simple one. Is it desirable to raise the assessable minimum of income and to retain the salt-tax at its present figure; in other words, should we relieve the men whose incomes range from 40 rupees to 80 rupees a month, and throw the burden on men whose incomes range from 4 rupees to 8 rupees a month? There can, I think, be but one answer to such a question, and, highly as I value the opinion of my honourable friend, I am afraid the proposal he makes is not within the range of practical politics at the present time.

"There is, however, one good argument in favour of the course he suggests. To raise the limit to 1,000 rupees would avoid the necessity of making a very great number of assessments without proportionately reducing the revenue. I quite admit the force of this argument, and can only regret that other considerations prevent the Government from looking on it as conclusive.

"There is another point on which I desire to offer a word of explanation. It has been alleged that certain information leaked out of the Government offices in connection with the Financial Statement, and that unscrupulous persons took unfair advantage of the information which they had acquired by improper means. There can be no doubt that information has more than once leaked out of Government offices, but it is most difficult to prevent this from happening. More than one newspaper has published information which was improperly obtained and which it knew to be improperly obtained, and I am afraid that there does not exist in some quarters a very high sense of honour in such matters. In the present case it has been alleged that information was improperly obtained regarding the fact that there would be no loan in India next year, and regarding the proposal to raise the rate of duty on imported spirits. Taking the second of these matters in the first place, I wish to mention that the proposal to raise the rate of duty was made a good many months ago by the Secretary of State. The question was considered by all the Local Governments and their responsible advisers in such matters, and rumours of the proposal found their way into the Press. When a proposal has to be discussed by every Local Government in India and by the officials subordinate to each Government, I am afraid there is not much chance of preserving complete secrecy. I first noticed the rumours in a paper published at Lahore. But much harm was not done, because it had not then been decided at what date the duty would be raised, or whether it would be raised at all or not. The decision to raise the duty at once was only arrived at quite recently. It had to be communicated to the Secretary of State, and the amount of revenue expected had to be entered in the estimates, but special precautions to ensure secrecy were taken. I cannot say if they were completely successful, but I have ascertained from the Collector of Customs that very little spirit was taken out of bond before the duty was raised. In fact, only one firm appears to have withdrawn spirit largely just before the duty was raised. The amount so withdrawn was 1,498 gallons, but, as there were 26,121 gallons of spirit, excluding liqueurs, in bond at the time, it would seem that the secret was not badly kept. I cannot say whether the firm in question received information unfairly or not. It may have had such information, or it may have noticed the rumour that appeared in the Press long before, and have withdrawn the spirit on speculation. Assuming that it received information unfairly, the loss of revenue is about 1,500 rupees. I regret that even this amount of revenue should be lost owing to underhand practices; but, considering that the change in the rate of duty will bring in nine lakhs yearly, that rumours of a proposed increase of duty had appeared in the Press some months ago, and that we might have lost the extra duty on the whole of the spirit in bond, which would have amounted to about 26,000 rupees in Calcutta alone, I think we have some reason to congratulate ourselves on the result.

"In the case of the loan it was more difficult to preserve the secret. The high cash balances naturally attracted the attention of speculators to the matter; and a speculator who had been paying attention to the state of the Secretary of State's drawings, to the high cash balance, and to the published accounts of revenue and expenditure, could have inferred, with some confidence, that either there would be no loan in India or that it would be a small one. The calculation by which it is finally decided whether a loan is necessary or not is an intricate one, in the preparation of which a number of officers take part. When a decision has been come to on the question, it is necessary to make the proper entries in the estimates. The estimates pass through a number of hands, and have to be printed, and consequently information may be given by any one of a number of officers, if anybody is so dishonourable as to be willing to do so. I do not, however, think that much harm, if any, was done in the present case, as the decision not to borrow was come to only a short time before the fact was publicly announced, and I apprehend that dealers in Government paper are rather cautious in their dealings just before the Financial Statement is issued, while those who speculate at such a time do so with their eyes open to the risks they run. I can only say that, if the charge of giving information for purposes of speculation is brought home to any official, he will not be given an opportunity of betraying the trust reposed in him a second time."

His

His Excelleney the PRESIDENT said:

"We have again taken advantage of the passing of a small and comparatively unimportant measure affecting the Imperial finances, in order to give honourable Members an opportunity of considering and criticising the general financial policy of the Government of India. It will be in the recollection of the Council that, when 12 months ago a similar opportunity was contrived, I was able to state that, in our opinion, the time had come when the right of discussing the Budget should be secured to the Legislative Council, and when the exercise of that right should no longer depend upon casual facilities such as we have been able to afford this year and last. I stated that this view was shared by Her Majesty's Government, and that the Secretary of State had expressed his concurrence in our proposal that there should be an annual instead of an occasional discussion of the Budget in Council. I added that this subject appeared to us, and also to Her Majesty's Government, to be closely connected with another, namely, the propriety of giving to Members of the Legislative Council of the Government of India, under proper safeguards, the right of addressing questions to the Government upon matters of public interest, and I stated that this subject also was engaging our attention and that of the Secretary of State. Since I made this announcement, steps have been taken to make good the assurance which I was then able to give. I was not without hopes that the legislation necessary for the purpose of carrying out these important constitutional changes might have been passed last year, and that we might ere now have been engaged in the task of considering the regulations under which these newly-acquired rights might be exercised. The Secretary of State was fully prepared to introduce the measure during the Parliamentary Session of 1889. Honourable Members, however, are aware of the difficulties which attend Imperial legislation, and cannot have been surprised, even if they were disappointed, to find that the attempt to pass a Councils Bill during the Session of 1889 was abandoned. A Bill is, as honourable Members are aware, now before Parliament. It contains provisions which will be effectual for the purpose of redeeming the pledges given last year, and I earnestly trust that it may become law before the Session terminates. This is, I need not say, not a proper occasion for discussing the other provisions of the Bill, with which honourable Members are no doubt familiar—provisions which affect the composition of this and of the Provincial Legislative Councils. I venture, however, to express my hope that too much credence will not be attached to the wholly unauthorised rumours which are circulated from time to time, in regard to the attitude of the present Government of India towards this most important constitutional question. For the opinions expressed by us in the correspondence which the Secretary of State has thought proper to lay before Parliament we accept the fullest responsibility. For other opinions confidently attributed to us, but not, so far as I am aware, disclosed in any statement of our views, official or unofficial, which has been given to the public, we disclaim all responsibility.

"I will only add that I earnestly trust that even those who would themselves desire to see a scheme more ambitious and far-reaching than that of the Secretary of State adopted by the Government of India and by Her Majesty's Government, will not, for that reason, allow themselves to be led to disparage unjustly the measure which has lately been passed by the House of Lords, a measure which I honestly believe marks one of the greatest advances which has been made for many years past in the direction of a liberal reform of our institutions.

"It will not be necessary for me to take up the time of the Council with any lengthened observations upon the financial statement of the honourable Member. I feel sure that I am only expressing the opinion of my colleagues when I say that we have listened to it with feelings of much satisfaction. I should be sorry to allow myself to be drawn into an over-sanguine estimate of our financial situation in the future. Such anticipations are always dangerous; they are particularly dangerous in India, a country in which a portion, at all events, of the population can never be regarded as wholly beyond the reach of disasters involving the financial position of the Government for the time being. I think, however, that we may, without erring in this respect, say that our present situation is eminently hopeful, and that signs are not wanting to show

that we are at last emerging from that series of lean years through which we have travelled with so much anxiety of late. The steady increase in the volume of our trade, in the amount of the receipts from most of our railways, and in our income from land revenue and from the principal heads of taxation, all point to the approach of a time when we shall have less cause for anxiety than we have had for some time past.

"The proposals of the honourable the financial Member are simple and intelligible. There is no occasion for seeking new sources of Imperial revenue. The measure now before us, which adds a comparatively insignificant sum to our income, is to be justified on political, rather than on financial grounds.

"Some complaint has been made of us because we have not at once taken advantage of the first symptoms of returning prosperity in order to remit taxation. Those by whom this complaint is made can, I venture to think, not have thoroughly realised our position. The Honourable Mr. Nulkar referred to the reduction of the Salt Duty and to the question of raising the minimum at which incomes are liable to be taxed. The reduction of the Salt Duty by 8 annas to 2 rupees, the rate at which it stood until the beginning of 1888, would involve a sacrifice of revenue to the extent of about Rx. 1,500,000. The raising of the taxable minimum of incomes from 500 rupees to 1,000 rupees would cost us about Rx. 300,000. It might perhaps have been possible for us to reduce taxation under one or other of these heads, and yet to make both ends meet in the financial year upon which we are about to enter. I hope, however, it will not be contended in this room that it is the duty of the Government of India at once to remove taxation, merely because it happens for the moment to have at its command resources which would permit it to adopt such a course. The removal of an existing tax is very nearly as serious a matter as the imposition of a new one. A Government has no right to abandon revenue, until it has a reasonable certainty that, at all events as far as it is able to foresee the future, it will be able to dispense with that revenue. A policy which would impose taxes one year and remove them the next because there was a break in the clouds, with the prospect of being compelled to re-impose them immediately afterwards, is not worthy of the name of a policy, and would be fatal not only to the stability of our finances but to the comfort and convenience of the public. We are, I believe, not yet in a position permanently to abandon revenue to the extent involved in any of the above proposals. It may be that the time will come when we shall be able to consider them favourably, and when that time comes the honourable the financial Member will no doubt bear in mind the recommendations to which we have listened. That time has, however, not come yet.

"I venture, however, to go further, and to say that, even if our prospects were better assured than I believe them to be, even if we were in no doubt as to the future of exchange, even if our income from opium were less precarious than it unfortunately is, the honourable the financial Member deserves to be supported in his determination to give the first place, not to small remissions of taxation, but to the restoration of the annual provision which, under the arrangement come to 12 years ago, it was decided to make as a national insurance against famine. It has always seemed to me that that was an eminently sound and prudent policy, in pursuance of which the Government of India determined to make every year a fixed provision for the purpose of enabling the country to meet the recurrent strain to which its finances have from time to time been exposed from failure of crops, involving failure of revenue or direct expenditure in relief. It is not necessary for me to add to what the honourable Member has said in regard to the misconceptions into which the public mind has fallen—misconceptions which, I am afraid, have not been yet entirely removed—in regard to the nature of this arrangement and the uses to which the funds provided under it may legitimately be put. I wish, however, to express my adhesion to the principle upon which the honourable Member has acted, and to say that I think with him that, now that we find ourselves able to dispose of surplus revenues, our first duty is to use them for the purpose of restoring the annual famine grant. I trust that nothing may occur to prevent those who are responsible for the Government of India from henceforth giving effect to the wise intentions of our predecessors, and so regulating the income and expenditure of the Imperial Government that the

pressure

pressure of the bad years may always be to some extent relieved out of the affluence of the good. It was only in consequence of exceptional pressure, only because its poverty, and not its will, consented, that the Government of India found itself constrained during the last few years to cease from making this annual provision; and, considering the nature of the taxation to which it had become necessary to resort, I do not think it will seriously be argued that, in preferring a temporary suspension of the arrangements for insurance against famine to the imposition of additional taxation, Lord Dufferin's Government did not exercise a wise choice. Our first duty, now that we find ourselves face to face with a more promising condition of affairs, is to revert to the sound policy instituted by our predecessors, and to endeavour in each year to provide out of our current revenues a substantial sum to be applied towards the alleviation of the permanent financial liabilities of the State. I trust that a considerable portion at all events of the sum thus appropriated may be applied to the construction of railways which, under less fortunate circumstances, might have remained unbuilt, or for which it might have been necessary to provide capital out of borrowed funds; railways the construction of which will not only bring a direct return to the national exchequer, but also afford increased security to a part of the people of this country against risk from famine. I was not able to follow exactly the argument of the Honourable Mr. Evans, which had reference rather to the manner in which this portion of the accounts was shown. I venture, however, to think that, if we have regard to the essence of the transaction, we are entitled to say that, by thus applying our revenues either in diminution of existing debt, or in avoiding the necessity of adding to it, we shall permanently strengthen our finances, and, in the truest sense of the word, make provision for insurance against famine

"Of the duties which the Government of India owes to the taxpayers of the country, the duty of, as far as possible, avoiding an increase of the national indebtedness is one of the most binding. Whatever may be our apprehensions with regard to the future, we have at least the consolation of knowing that the indebtedness of India has, up to the present, been kept within the most moderate limits, and that the burden of that indebtedness is fortunately tending to diminish, and not to increase. I do not know whether honourable Members have had time to refer to the extremely interesting paragraph which appears under the heading of 'Interest on debt' at page 25 of the Statement which lies upon the table. If they have done so, they will no doubt have observed the following facts, which appear to me to deserve special attention:—

"Our total indebtedness in sterling at the end of the present year amounts in round numbers to 98 millions sterling, of which no less than 32 millions was borrowed on account of railways and other profitable enterprises. When we remember that, of the 66 millions which remain, between 40 and 50 millions were incurred at the time of the Mutiny, we shall, I think, congratulate ourselves that the obligations which we have inherited are not heavier.

"Turning from the sterling debt to our indebtedness in rupees, it appears from the statistics given at page 26 that by far the greater portion of that debt, or Rx. 96 millions out of Rx. 113 millions, is represented by railways and irrigation works. Of the interest for which we shall be liable next year, and which will amount altogether to Rx. 4,671,000, Rx. 4,000,000 in round numbers are chargeable to interest on railways and irrigation works: in other words, considerably more than three-quarters of the whole of our rupee debt represents expenditure upon remunerative enterprises, for which the State obtains a fair return, or for which, at all events, we have valuable assets to show. The balance, which may be stated in round numbers at Rx. 700,000, represents the ordinary rupee debt of India. This, however, includes sums which have from time to time been advanced by the Government of India to public bodies, or sums held by the Government as currency investments. The amount annually recovered from the persons or corporations to whom money has thus been advanced has, year after year, tended to bear a larger proportion to that for which the Government of India has itself been liable; and this increase has gone on until the amount so recovered, which in 1882-83 represented little more than one-third of the total charge for interest, will, in the year upon which we are about to enter, actually exceed the total charge which we shall have to meet.

"These are facts to which, amid much that is doubtful and precarious, we can look with unqualified satisfaction. Whatever be the trials which may await us in the future, whatever be the strain to which in years to come our financial resources may be subjected from war, or scarcity, or failure of revenue, we shall be able to encounter that strain in proportion as we have during years of peace and sufficiency strengthened our finances and refrained from adding to the burden of our public liabilities.

"In another respect the accounts of the year which has just come to a close must be most gratifying to us. I refer to the proof which they afford of the continuous and rapid improvement of the recently acquired Province of Upper Burma. The revenue of the province, which has doubled during the last three years, now exceeds a crore of rupees; it is said to be collected without difficulty, and the Chief Commissioner reports that he has every reason to believe that it will continue to expand. Other indications are equally favourable. The receipts from the Upper Burma railway are highly satisfactory, and will, we expect, exceed the working expenses by Rx. 50,000 next year. It may perhaps be interesting to honourable Members to know that the only item of Burmese revenue which does not tend to increase is that derived from excise, the diminution of which we shall, no doubt, look upon with tolerant eyes. The country is rapidly settling down; in fact, if we exclude from consideration the operations in progress in the Chin-Lushai country, there has been no employment of troops, except in the district of Magwe and on the Wuntho border, where there has always been a certain amount of turbulence. Concurrently with the general return of the population to peaceful pursuits, there has been a rapid falling-off in serious crime and in the number of admissions to jail. These have, I learn from Sir Charles Crosthwaite, fallen from 2,500 in the month of May last to 1,500 in the month of December. This fortunate state of things has enabled the Chief Commissioner to recommend a decrease in the Military Police Force employed in the country, and there is little doubt that further reductions will prove practicable before long. I ventured last year to cite, as an indication of the improvement which the country was undergoing, the increase in the number of households under assessment to the Thathameda or house tax. The number of those thus assessed has, I understand, increased by nearly 30,000 in the past 12 months, an increase which, although partly explained by the closer supervision exercised by the local authorities, is certainly due in the main to the manner in which families at one time either absent from the country or in hiding, are now settling down peaceably in their homesteads. Considering that little more than four years have passed since Upper Burma became a part of the British Empire, we are, I think, justified in regarding with satisfaction the state of things which I have described.

"I wish, before I leave off, to say a very few words with regard to another item of expenditure; I mean that incurred on our military operations against the Chin-Lushai tribes. The amount spent in connection with this during the past year was certainly larger than we had any reason to anticipate. I feel, however, no doubt that the money thus laid out, as well as whatever additional expenditure may be incurred during the coming year, will prove to have been well spent. The British occupation of Upper Burma has entirely changed the character of our relations with the inhabitants of the mountainous Alsatia which lies between Burma and Chittagong. It would have been absolutely impossible for us, now that it is flanked on each side by British territory, to allow the tribes which inhabit it to continue the lawless and predatory existence which they have till now followed. The operations which, as far as the present season is concerned, are now coming to a close, do not deserve to be classed amongst the ordinary punitive expeditions which have, I regret to say, been so common upon the frontiers of India, expeditions which, for any permanent results achieved by them, might in many cases as well never have taken place. We are satisfied that, in the case of the Chin-Lushai country, the establishment of through communications from the Burmese to the Bengal side, and also with Assam, the construction of roads and of lines of telegraph, together with the exhibition of strength which has resulted from the combined operations of the different columns employed, will effect the permanent pacification of these inaccessible tracts. Should this prove to be the case, the 50 lakhs, at the cost of which this result will have been obtained (I include the amounts taken in the accounts of this year, and that provided in the Budget for 1890-91), will certainly

certainly not have been thrown away. In considering this point it is worth while to bear in mind the expenditure which has been already incurred in these regions, I will not say entirely without effect, but without anything approaching to such a result as that for which we have now a right to look. I find, on reference to the official records, that the Lushai expedition of 1871-72 cost over 22 lakhs, and the Naga expedition of 1879-80, 17½ lakhs, while an expenditure of nearly five lakhs was incurred on a punitive expedition against the Lushai tribes in 1888. The operations now in progress, which have been carried out with the greatest skill and courage by the officers entrusted with their direction, and which, but for the large amount of sickness experienced by our troops in a singularly malarious country, have been conducted at scarcely any cost in casualties, will, there is every reason to believe, prevent the recurrence of outbreaks such as those which provoked the expeditions to which I have just referred, and will, once for all, convince these lawless tribes that it is for their own advantage to adopt peaceful pursuits and to cease from molesting their neighbours."

The Motion was put and agreed to.

The Council adjourned *sine die*.

S. Harvey James,
Secretary to the Government of India,
Legislative Department.

Fort William,
14 April 1890.

RETURN.

EAST INDIA (FINANCIAL STATEMENT, 1891-92).

Ordered, by The House of Commons, *to be Printed*,
5 *May* 1891.

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BOMBAY BRANCH
OF THE
Royal Asiatic Society.
CLASS

EAST INDIA (FINANCIAL STATEMENT).

RETURN to an Address of the Honourable The House of Commons, dated 1 May 1891;—*for*,

COPY

OF THE

EAST INDIAN FINANCIAL STATEMENT

For 1891-92.

India Office,
4 May 1891.

A. GODLEY,
Under Secretary of State for India.

(*Mr. Howorth.*)

Ordered, by The House of Commons, *to be Printed*,
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225.

FINANCIAL STATEMENT FOR 1891–92.

CONTENTS.

PART I.

IMPERIAL REVENUE AND EXPENDITURE.

	PARA.	PAGE.
Preliminary	1	5
I. Accounts of 1889–90	2	„
II. Revised Estimate of 1890–91	3	6
III. Budget Estimate of 1891–92	13	9
IV. Progress in 1889–90 and 1890–91	20	11
V. Prospects in the Immediate Future	25	13
VI. Exchange	36	16

PART II.

IMPERIAL, PROVINCIAL, AND LOCAL FINANCE.

I. Accounts of 1889–90	1	20
II. Revised Estimates of 1890-91	9	21
III. Budget Estimates of 1891–92	20	24
IV. Examination of the Estimates under the more Important Heads of Revenue and Expenditure—		
Land Revenue	32	27
Opium	33	28
Salt	34	29
Stamps	37	30
Excise	38	„
Customs	39	„
Assessed Taxes	40	31
Forests	41	32
Interest	42	„
Post Office	44	34
Telegraph	45	„
Mint	46	35
Civil Departments	47	„
Famine Relief and Insurance	48	36
Railways	49	37
Irrigation	53	38
Buildings and Roads	54	39
Army	55	40
Special Defence Works	60	41
Upper Burma	62	„

	PARA.	PAGE.
V. Expenditure not charged to Revenue	63	42
VI. Ways and Means—Home Treasury	67	44
„ „ India	69	47
VII. Summary	74	48

APPENDIX I.

	PAGE.
THE COURSE OF PRICES AND WAGES IN 1890	52

APPENDIX II.

ACCOUNTS AND ESTIMATES:

	PAGE.
General Statement of the Accounts and Estimates of the Revenue and Expenditure and Receipts and Disbursements of the Government of India, in India and in England	62
A.—Statement of the Revenue of India, in India and in England	64
B.—Statement of the Expenditure chargeable on the Revenues of India, in India and in England	66
C.—Statement of Receipts and Disbursements other than Revenue and Expenditure of the Government of India, in India and in England	70
D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Contracts	72
E.—Statement of Net Revenue and Expenditure—England and India	74

APPENDIX III.

	PAGE.
COMMERCIAL AND FINANCIAL STATISTICS	77

COPY OF THE EAST INDIAN FINANCIAL STATEMENT FOR 1891-92.

FINANCIAL STATEMENT FOR 1891-92.

PART I.

IMPERIAL REVENUE AND EXPENDITURE.

PRELIMINARY.

IN the Financial Statement for 1890-91 Imperial Revenue and Expenditure were dealt with for the first time, in a separate section (Part I.) of the Statement. The object of this innovation was to present an account of the financial position of the Government of India, which, by excluding all matters of minor importance and all questions relating to Provincial and Local Finance, would be more easily understood by the general public.

The change has, to some extent, secured the object with which it was made, and the practice will be continued in the present and future years. It should be recollected that Part I. gives only a general outline of the financial position of the Government of India, and that those who wish for fuller information must turn to Part II.

SECTION I.—ACCOUNTS OF 1889-90.

2. The Budget Estimate of 1889-90 showed a surplus of Rx. 106,300. The Revised Estimate of the same year, issued in March last, showed a surplus of Rx. 1,809,700, after postponing for a year the special contribution of Rx. 490,000 from Local Governments and increasing the Famine Grant* by Rx. 427,500. The Final Accounts of the year now show a surplus of Rx. 2,612,000, being an increase over the Revised Estimate of Rx. 802,300. The Final Accounts invariably give a better result than the Revised Estimate, and improvement was foretold when the Revised Estimate of 1889-90 was published.

The improvement has proved to be greater than was expected, owing to a general improvement in Revenue, to larger Land Revenue collection in Madras, and to reduced Expenditure, which occurred mainly in England under Army and Special Defence Works, but partly in India also.

Unusually high collections of Land Revenue are necessarily followed by a corresponding reduction in future months, and Ordnance Stores and Special Defence Stores that have been ordered must be paid for sooner or later, so that the whole improvement does not represent a permanent gain.

The year 1889-90 was, however, one of great financial prosperity, though the actual surplus was swollen by accidental causes.

* To prevent misapprehension, I may mention that the words "Famine Grant" are used merely to indicate shortly what is ordinarily known as the "Grant for Famine Relief and Insurance," and that their employment does not indicate any change of policy.

SECTION II.—REVISED ESTIMATE OF 1890-91.

3. The Budget Estimate of the year which is now about to close, was framed in March 1890, and showed a surplus of Rx. 270,400.

The Revised Estimate of the same year, framed in the present month, shows a surplus of Rx. 2,787,100, and I have little doubt that, as usual, the actual surplus of the Final Accounts will materially exceed that of the Revised Estimate.

4. A mere catalogue of increases and decreases, under every head of account, each item being accompanied by remarks not readily intelligible to the general reader, would present only a confused picture of the finance of the year; and the causes which have led to the increased surplus will be shown more clearly if the Revenue and Expenditure be dealt with according to certain divisions which, if they do not constitute a perfect classification, are at least not wholly artificial.

For present purposes I shall deal with Revenue and Expenditure under four great heads: (1.) The Military Account, which includes all Expenditure under Army, Military Works, and Special Defence Works; (2.) The Railway Revenue Account; (3.) Other Revenue and Expenditure, excluding Exchange; and, (4.) That peculiarly fluctuating element which has a column to itself in our Accounts and is called Exchange.

The same classification will be followed both in dealing with the Revised Estimate of 1890-91 and the Budget Estimate of 1891-92.

EXCHANGE.

5. The most remarkable feature of the year 1890-91 has been the great fluctuations in Exchange, and the higher average level at which it has stood.

In the Budget Estimate the rate of Exchange was taken at 1 *s.* 4·55 *d.* per rupee. The highest rate obtained by the Secretary of State during the year was 1 *s.* 8·94 *d.*, the lowest 1 *s.* 5 *d.*, and the average rate of the year has been 1 *s.* 6·11 *d.*, an increase over the rate taken in the Budget of 1·56 *d.* per rupee.

The rise in Exchange has given an improvement of Rx. 1,926,500 in the Exchange on the net sterling expenditure; the rate of Exchange of the year also affects the amount of the receipts shown under XXIV., Exchange, and the rise in Exchange has, in the current year, reduced those receipts by about Rx. 200,000.

CIVIL REVENUE (EXCLUDING THE RAILWAY REVENUE ACCOUNT).

6. Excluding the Railway Revenue Account, the total Civil Revenue, as shown in the Revised Estimate, is almost the same as in the Budget Estimate, there being an increase of Rx. 69,900 in India, and of 137,900 *l.* in England. Although the total revenue of the two Estimates is nearly the same, there have been important fluctuations under particular heads. Excluding Revenue from Opium, the increase under the Principal Heads of Revenue amounts to Rx. 520,500, the chief items of increase being Rx. 213,500 under Salt, and Rx. 160,500 under Customs. There is an increase in Mint receipts of Rx. 120,000, and under Irrigation of Rx. 78,500.

In the Home Accounts there is an increase of 104,000 *l.* under the head Interest, which is due to the Secretary of State having been able to lend a portion of his cash balance at favourable rates, and an increase of 31,000 *l.* under Medical owing to the sale of the Ealing Lunatic Asylum. On the other hand, the decrease in Opium Revenue is Rx. 328,300, and under XXIV., Exchange, it is Rx. 313,500. Minor fluctuations, which need not be specially noticed in this place, reduce the total increase of Civil Revenue in India to Rx. 69,900, and raise it in England to 137,900 *l.*

7. Of the increases which have taken place, some represent a growth of revenue which will in all probability be permanent; but a portion of the increase under Salt is due to a change in the date of payment of the duty in Madras

Madras and is merely temporary, while the increase in Mint receipts and the chief increases in the Home Accounts are due to special causes and cannot be expected to occur in future years.

The nature of the receipts under XXIV., Exchange, was explained in the Financial Statement for 1889-90; they arise mainly under the contracts with certain railway companies, and depend on the magnitude of the transactions that take place in any year, and on the variation between the actual Exchange of the year and the fixed rates of Exchange which have been adopted in the contracts. The receipts under this head have fallen off, partly because the rate of Exchange rose during the year, and so reduced the difference between the average rate of the year and the contract rates, and partly because the Capital transactions have been smaller.

The falling off in Opium Revenue and in receipts under XXIV., Exchange, arises from causes which are in no way connected with, or dependent on, the general well-being of the country.

The growth of permanent Revenue during the year has been moderate; but it will be remembered that there was a great and unusual increase of Revenue in the year 1889-90, and, taking the two years together, there is ample reason to be satisfied with the rate of growth of that portion of the Civil Revenue which is dependent on the general progress of the country.

Civil Expenditure (excluding the Railway Revenue Account).

8. Civil Expenditure in India, excluding the Railway Revenue Account, shows a reduction of Rx. 86,400, and Civil Expenditure in England an increase of 53,500 *l.* The variations from the Budget under the different heads have not been very great, the chief increases of expenditure in India being under Interest (Rx. 141,200), owing to the special payments in connection with the conversion of a portion of the 4½ per cent. loan, and under Political (Rx. 76,700), owing chiefly to the payment of arrears of his subsidy to the Amir of Afghanistan and to additional political expenditure in Biluchistan.

On the other hand, there were savings in expenditure under Opium (Rx. 110,000), and Stationery and Printing (Rx. 44,000), owing, in the former case, to a poorer crop than had been expected, and in the latter to smaller purchases in India. There was also a saving of Rx. 65,300 in the cost of Police, most of it in Upper Burma.

In England there has been an increase of 40,400 *l.* under Superannuation Allowances, due chiefly to the adoption of a minimum exchange of 1 *s.* 9 *d.* per rupee for the payment of rupee pensions. There are also increases, somewhat less in amount, under Interest and Marine, and Territorial and Political Pensions, and a saving of 41,000 *l.* in Civil Furlough and Absentee Allowances.

Railway Revenue Account.

9. The Railway Revenue Account, in so far as the transactions are Imperial, shows a net improvement of Rx. 823,000; but this is due to the improvement in Exchange. Receipts, which are almost wholly Indian, show a falling off of Rx. 350,500, due to reduced traffic, while the Expenditure recorded in the Indian portion of the Accounts shows a reduction of Rx. 439,000, due to the lower cost of working the State Railways. The sterling Expenditure is almost exactly the same as that in the Budget Estimate; but the reduction in the column headed Exchange is no less than Rx. 719,600.

The question of Exchange so intimately affects the Railway Revenue and Expenditure, that it is practically impossible to eliminate its influence from the Railway Revenue Account with complete accuracy; but, as the net Indian receipts exceed the amount entered in the Budget by only Rx. 87,600, while the net English Expenditure is less by only 15,600 *l.*, it will be obvious that the total improvement in the year of Rx. 823,000 is really due to the rise in Exchange.

Military Expenditure.

10. The direct Military Expenditure appears in the Accounts under the three heads of (1) Army, (2) Military Works, and (3) Special Defences.

In the Revised Estimate, the rupee Expenditure in India and the sterling Expenditure in England under the head Army are nearly the same as in the Budget Estimate, there being an increase in net Expenditure of Rx. 136,000 in India, and a net decrease of 34,300 *l.* in England. There is, of course, a large saving in Exchange on the sterling Expenditure.

Under Military Works there is an increase in expenditure of Rx. 64,700 in India, a decrease in the Home Expenditure of 1,500 *l.*, and an increase of receipts in India amounting to Rx. 5,600.

Under Special Defences there is short Expenditure amounting to Rx. 162,500 in India and to 125,500 *l.* in England; this is merely a postponement of Expenditure, and not a real saving.

Summary.

11. The whole history of 1890–91 may then be summed up in the following manner:

During 1890–91 there has been a moderate, but not unsatisfactory, growth of Revenue, under the ordinary Civil Heads in India, which growth has been swallowed up by the falling off in Opium Revenue, and in the receipts which are recorded under the head XXIV., Exchange. Special causes have given some increase of Revenue in England, and there are also increases of Revenue in India which are due to temporary causes and are not part of the normal growth of income.

On the Expenditure side of the Account the total variation in the Civil Departments from the Budget Estimate is small, both in England and in India.

In the Railway Revenue Account there is a reduction in receipts, due to falling off in traffic, which is balanced by diminished cost of working.

Under Army, the net Expenditure, taking Indian and Home Receipts and payments together, does not differ materially from that entered in the Budget, while under Military Works there is an increase in the Indian Expenditure of Rx 64,700. Under Special Defences there is short Expenditure in India of Rx. 162,500, and in England of 125,500 *l.*

The rise in Exchange has given an improvement on net sterling Expenditure of Rx. 1,926,500. In other words, the total Civil Revenue, and, in a still greater degree, the total Civil Expenditure of the Revised Estimate of 1890–91, closely follow the figures of the Budget; a marked falling off in Railway Traffic has been met by reduced cost of working; there is some increase of Expenditure under Army and Military Works; a remarkable rise in Exchange and short Expenditure on Special Defence Works have caused a great increase in the estimated surplus of the year. The surplus of the Budget Estimate was Rx. 270,400; the surplus of the Revised Estimate is Rx. 2,787,100, an increase of Rx. 2,516,700. The effect of the rise in Exchange on the net sterling Expenditure and the short Expenditure under Special Defences give an improvement of Rx. 2,271,000; if allowance be made for the effect of the rise in Exchange on the receipts under XXIV., Exchange, this is reduced to Rx. 2,071,000.

12. The large surplus of the year 1890–91, as now estimated, does not arise from causes which can be contemplated with complete satisfaction. The rise in Exchange has already been lost to a very great extent; the fall in the price of Opium continues, and the receipts under XXIV., Exchange, will diminish still further, as the total transactions from which they arise are reduced in amount: the short Expenditure under Special Defences is a postponement of the burden, and not a real saving.

The coming year will, therefore, open under conditions somewhat different from those which I was able to announce in the Financial Statements of 1889–90 and 1890–91.

SECTION III.—BUDGET ESTIMATE OF 1891-92.

SURPLUS OF 1891-92.

13. The Budget Estimate of the coming year shows a surplus of only Rx. 115,600, which practically means that Revenue just balances Expenditure.

EXCHANGE.

14. In the Budget Estimate for 1891-92 the rate of Exchange is taken at 1 *s.* 5·25 *d.* per rupee as against an average rate of 1 *s.* 6·11 *d.* obtained in 1890-91. This reduction causes an increase of Expenditure which may, in round numbers, be put as Rx. 1,000,000.

CIVIL REVENUE (EXCLUDING THE RAILWAY REVENUE ACCOUNT).

15. The total Civil Revenue in India (excluding the Railway Revenue Account) is less than that of the Revised Estimate of the preceding year by no less than Rx. 692,600. The sterling receipts in the Home Estimates are less by 167,900 *l.*

The reduction in the Revenue received in India is due to a variety of causes.

The Salt Receipts and the Mint Receipts of 1890-91 have been swollen by causes which cannot be expected to recur; and, consequently, there are reductions of Revenue under these heads in the Budget Estimate of 1891-92, which amount, respectively, to Rx. 105,900 and Rx. 97,700. Under Opium a further reduction of Rx. 281,600 is expected, and under XXIV., Exchange, a further reduction of Rx. 88,600.

These figures account for a total decrease in Revenue of Rx. 573,800.

In 1890-91 we received from Local Governments a special contribution of Rx. 490,000, the adjustment being effected by the Provincial Governments surrendering an equivalent amount of Provincial Land Revenue to the Imperial Government for that year only. There is no such receipt in 1891-92, and consequently the Imperial Revenue for 1891-92, which is that with which I am now dealing, is reduced by this amount. The growth of Land Revenue, however, reduces the actual loss to Rx. 266,800, and, adding this amount to the sum of Rx. 573,800, to which I have just referred, a falling off in Revenue of Rx. 840,600 is accounted for. The net result of the increases and decreases under other heads of minor importance is an improvement of Rx. 148,000, making the total reduction of Civil Revenue in India in the Estimate of 1891-92 Rx. 692,600, as compared with the Revised Estimate of 1890-91. The falling off in sterling Revenue in England is due to the receipts of 1890-91 having been swollen by the interest received by the Secretary of State on a portion of his cash balance, and by the sale proceeds of the Ealing Lunatic Asylum.

CIVIL EXPENDITURE (EXCLUDING THE RAILWAY REVENUE ACCOUNT).

16. The Civil Expenditure in India, as entered in the Budget Estimate for 1891-92 (excluding the Railway Revenue Account), exceeds that of the Revised Estimate of the current year by Rx. 537,500, while in the sterling Expenditure there is a reduction of 28,200 *l.* The increased Expenditure in India is the net result of a large number of increases and decreases under particular heads, the most important of which are due to special causes.

The chief increase is due to the Famine Grant being now raised to the full amount of Rx. 1,500,000, in accordance with the policy announced in the Financial Statement of March 1890. The increase on this account alone amounts to Rx. 448,000. There is also an increase of Rx. 80,000 on account of a better Opium crop, of Rx. 114,300 under Scientific and Minor Departments, due to Census Operations, and of Rx. 50,300 under Forests, while there is a reduction in the Indian charge for Interest on Debt (not charged against

Railways and Canals) of Rx. 355,300. These figures give a net increase of Rx. 337,300, and the balance of Rx. 200,200 is due to ordinary fluctuations and increases of no special importance, and to that tendency to make a safe Estimate which, perhaps fortunately, appears to be universal. The reduction in the Home Expenditure is mainly due to a less charge for Interest on ordinary Debt.

Although the apparent increase of expenditure in 1891-92 is considerable, an analysis of it affords ground for satisfaction. The increase under the Famine Grant is a distinct financial gain, and so is the better Opium crop, while the additional cost for the Census is temporary, and will not appear in 1892-93. Not the least satisfactory item is the reduction of the charge for Interest on Debt.

To the extent of Rx. 140,800 this reduction is due to the special payments in 1890-91 on account of the conversion of Rx. 8,313,200 of the 4½ per cent. debt, which, of course, will not recur in the coming year; Rx. 41,600 is due to the lower charge for interest which arises from the conversion; and the balance to the fact that the large surpluses of the years 1889-90 and 1890-91 have, with the exception of the small loan of two crores in 1889-90, rendered it unnecessary for the Government of India to issue fresh loans during the three years 1889-90, 1890-91, and 1891-92. The expenditure on Railways and Productive Canals has been mainly met from surplus revenue, and the charge for Ordinary Debt has been proportionately reduced.

The Railway Revenue Account.

17. Under the Railway Revenue Account net receipts in India are expected to decrease by Rx. 113,100, and net expenditure in England to decrease by 11,600 *l.*, as compared with the Revised Estimate of the current year.

There are distinct signs at present of a revival in Railway traffic, and it may be hoped that (excluding Exchange) the Railway Revenue Account will show better results in 1891-92 than in 1890-91. The lower rate of Exchange causes the Railway Revenue Account in the Estimate for 1891-92 to show on the whole less favourable results than in 1890-91, but the falling off due to this cause has already been included in the total increase of Expenditure arising from the fall in Exchange.

Military Expenditure.

18. Under Army, there is a net decrease of Rx. 200,500 in India, and a net increase of 78,700 *l.* in England. The various changes which account for these results are given at some length in Part II. It will suffice to say, in this place, that the continued high Expenditure in England is due to the demands for ordnance stores, including magazine rifles, 12-pounder guns, machine guns, and so forth, and that the reduced Expenditure in India is, to the extent of Rx. 180,000 in round numbers, due to the higher rate of Exchange for the payment of British troops.

Under Military Works there is a decrease of Rx. 71,900 in India, and of 14,100 *l.* in England.

Under Special Defence Works there is an increase of Rx. 96,700 in India, and of 153,800 *l.* in England. The Special Defence Works have been estimated to cost Rx. 5,000,000 in all, and an increase or decrease of Expenditure in any one year is not of much importance, since, sooner or later, the total Expenditure will amount to about that sum. It is unfortunate that hitherto the lapses in grants made for the year have generally been so great; the occurrence of lapses burdens the estimates of future years with Expenditure which, from a financial point of view, might more conveniently have been spent in years in which there was a considerable surplus.

The total Expenditure on Special Defence Works to the end of 1891-92 is estimated to amount to Rx. 3,768,830, leaving Rx. 1,231,170 to be incurred in succeeding years.

SUMMARY.

19. It will be convenient to re-state in a few words the causes which have reduced the large surplus of the current year to what is practically equilibrium between Revenue and Expenditure in the year 1891-92.

In the first place (excluding the Railway Revenue Account) there is a reduction in Civil Revenue of Rx. 692,600 in India and of 167,700 *l.* in England; these reductions are due (1.) to the non-recurrence of certain special receipts of 1890-91, (2) to a further falling off in Opium Revenue and in receipts under XXIV. Exchange, and (3) to the cessation of the special contribution of Rx. 490,000 from Local Governments, which was received in the current year; and they are partially balanced in India by an increase of Rx. 223,200 under Land Revenue and by other receipts.

There is a considerable increase in Civil Expenditure, which is due to provision being made in connection with the Famine Grant for the full sum of Rx. 1,500,000, to the higher cost of Census operations, to a better Opium crop, and to ordinary improvements in administration, balanced, in some degree, by reduction of the charge on account of ordinary Interest on Debt.

The Railway Revenue Account shows a slight falling off.

Under Army and Military Works, taken together, the Budget Estimate of 1891-92 shows a slightly lower scale of expenditure, but the improvement practically disappears, if allowance be made for the saving owing to the higher rate of Exchange taken for the payment of British troops; it is proposed to incur a higher rate of Expenditure on Special Defence Works than it has been found possible to maintain in the current year.

Finally, there is a fall in the estimated rate of Exchange from 1 *s.* 6·11 *d.* to 1 *s.* 5·25 *d.*, representing an increase of Expenditure of about Rx. 1,000,000.

SECTION IV.—PROGRESS IN 1889-90 AND 1890-91.

20. In each of the years 1884-85, 1885-86, and 1887-88, the Accounts of the Government of India showed a deficit, the aggregate amount by which Expenditure exceeded Revenue amounting in the three years to Rx. 5,217,004. With the object of restoring financial equilibrium various measures were taken at different times. These measures included, to the end of the year 1888-89, an increase of the salt duty, the imposition of an import duty on petroleum, the absorption of the Famine Grant, the appointment of a Finance Committee to enforce reductions of Expenditure, and the appropriation by the Government of India of Rx. 640,000 yearly from the Revenue at the disposal of Local Governments. The Accounts of 1888-89 showed a surplus of Rx. 37,018, and, though in the Budget Estimate of 1889-90 the surplus was estimated at only Rx. 106,000, I was able to say in the Financial Statement of that year, that, unless some unforeseen disaster occurred, there was every reason to hope that the lapse of two or three years would show a decided improvement in the financial position of the Government of India. As it happens, there has been a very large surplus both in 1889-90 and in 1890-91, but the estimated surplus of 1891-92 is only Rx. 115,600, and the remarks already made will have shown that the finances are, in some respects, again passing under adverse influences. It, therefore, becomes necessary to review the progress made in the last two years, to take stock of our present position, and to examine our prospects in the immediate future.

In this connection, it is all important to determine what has been the growth of income during the past two years from those great sources of revenue which are intimately connected with the general well-being of the country. I shall, therefore, compare the Revenue under certain heads as estimated for 1889-90, in the Financial Statement of that year, with the Revenue under the same heads as now estimated for 1891-92. This will give a fairly accurate idea of the general tendency of the growth of Revenue.

Growth of Revenue in 1889-90 and 1890-91.

21. The following figures give the increases of Revenue since 1889-90, under the heads to which I have just alluded :—

Head of Revenue.	Increase in the Budget Estimate of Revenue for 1891-92, as compared with the Budget Estimate of Revenue for 1889-90.		
	Imperial.	Provincial and Local.	Total.
	Rx.	Rx.	Rx.
Land Revenue	649,900*	357,700	1,007,600
Salt	300,800	12,800	313,600
Stamps	63,100	125,600	188,700
Excise	163,300	63,100	226,400
Provincial Rates		272,900	272,900
Customs	282,900†	—400	282,500
Assessed Taxes	46,200	48,800	95,000
Forest	133,900	107,600	241,500
Total	1,640,100	988,100	2,628,200

* These figures have been adjusted so as to eliminate the temporary disturbing influence of the special contribution of Rx. 490,000 from Provincial to Imperial for which credit was taken in the Budget Estimate of 1889-90.
† Increase to a slight extent due to additional taxation on imported spirits.

The improvement in Revenue that has taken place in the two years is very satisfactory.

The Provincial and Local increase, as well as the Imperial, is large.

Reduction of the Charge for Ordinary Debt and of the Charge for Exchange.

22. In another respect, also, there has been a substantial improvement. The net Imperial charge in India for Interest on Debt and other Obligations (excluding Debt charged against Railways and Canals) has been transformed in two years from a net outgoing of Rx. 145,700 into a net receipt of Rx. 216,400, a total gain of Rx. 362,100. In other words, the receipts from interest on money lent by the Government of India to Municipalities, &c., now exceed by Rx. 216,400 that portion of the yearly charge for Interest on Debt which is not taken against the Capital Expenditure on Railways and Canals.

The rise in the rate of Exchange from 1 *s.* 4·38 *d.* to 1 *s.* 5·25 *d.* has given an improvement of about Rx. 1,100,000.

Final Result.

23. If we add together the improvements mentioned in the last two paragraphs, and omit for the present all minor items of increase or decrease, the total gain amounts to Rx. 3,102,200 in the two years 1889-90 and 1890-91.

As the estimated surplus for 1891-92 is only Rx. 115,600, while that of the Budget of 1889-90 was Rx. 106,300, it is evident that special causes must have been at work which balance this great improvement, and I shall now proceed to show how the improvement of Rx. 3,102,200 has been absorbed or utilised.

In the first place, I may mention that the cessation of the special contribution from Local Governments absorbs Rx. 490,000 of the improvement.

The reduction in net Opium Revenue absorbs a further sum of Rx. 576,900. The falling off in receipts under XXIV., Exchange, accounts for Rx. 485,900. The restoration of the Famine Grant has taken Rx. 960,000.

Under

Under Military Expenditure of all kinds (Army, Military Works, and Special Defences) there is an increase of 621,600 *l.* in England, and only a decrease of Rx. 610,200 in India (of which Rx. 300,000 is due to the effect of Exchange on the pay of British troops). There is also a special charge in 1891–92 of Rx. 188,000 on account of the Census. In this way the whole improvement of Rx. 3,102,200 is practically accounted for. The chief permanent gain which we have secured is that we have re established the Famine Grant. We have, in addition, provided for an unexpected loss of Rx. 576,900 under Opium; and we have met that loss of Rx. 975,900 which was foreseen and which comes from the cessation of the special contribution of Rx. 490,000 and the falling off in receipts under XXIV., Exchange. All this has been done, although none of the reduction in Special Military Expenditure, for which I at least hoped in March 1891, has as yet been secured.

24. It will be recollected that the object of Part I. of the Financial Statement is to present an intelligible outline of our financial position and progress, and that for this purpose it is necessary to omit all minor fluctuations of Revenue and Expenditure, whether favourable or unfavourable, so that the general narrative may not be encumbered with a mass of details. During the two years with which I have just dealt, there have, as a matter of course, been considerable increases and decreases under particular heads, which, to a great extent, balance one another, and to which I have not thought it necessary to refer in detail in this place. The more important changes which I have not specially mentioned are an increase of Revenue under Irrigation (Rx. 113,200 net), a decrease of Expenditure in cost of Police in Upper Burma (Rx. 120,100), increases of Expenditure under Forest (Rx. 62,800), Political (Rx. 86,300), and so forth. In order to obtain a correct general view of financial progress during the last two years, the essential facts which should be borne in mind are that the improvement arising from the very considerable growth of general Revenue under certain important heads, and from the reduction in the charge for debt (not charged to Railways or Canals), and from the rise in Exchange, has been balanced by (1) the cessation of the special contribution from Local Governments, (2) the reduction in net Opium Revenue, (3) the falling off in receipts under XXIV., Exchange, (4) the restoration of the Famine Grant, and (5) some increase in Military Expenditure due largely to special demands for Ordnance Stores.

All other changes that have taken place may be fairly considered as the ordinary incidents of Indian administration, though some of them have been of considerable financial importance.

Section V.—PROSPECTS in the IMMEDIATE FUTURE.

25. More important, however, than the financial history of the past is the question of our prospects during the next few years.

The Budget Estimate of Revenue in 1891–92 has, as usual, been framed with moderation, and, though the ordinary growth of income in 1891–92 and 1892–93 may not be so great as in 1889–90 and 1890–91, I see no reason to apprehend at present that we shall have less than the normal rate of increase.

Such difficulties as may arise will doubtless be due to special causes. War, Famine, a further fall in Opium Revenue, a decrease in Railway traffic, growing Military expenditure, a fall in Exchange, such are the disasters to which Indian finance is always liable. War and Famine are evils that might come at any time, but I am unaware of any reason to suppose that War is likely to occur in the immediate future. The occurrence of Famine would bring in its train, along with other and greater evils, temporary embarrassment for the finances, but the Famine Grant has now been restored, and the insurance against the permanent financial effects of Famine is ample.

26. The Opium Revenue has, no doubt, fallen largely, and at this moment there are no strong indications of a recovery. On the other hand, the fall up to date has already been discounted, and provision made to meet the consequent loss of Revenue. As the fall has been so great, we may fairly hope that, for the present, we have seen the worst. The following figures of the gross and net

Revenue under Opium since 1880-81 show the serious influence which the fall in the price of this drug has had on the finances :—

	Gross Revenue.	Net Revenue.
	Rx.	Rx.
1880-81 - - - -	10,480,051	8,451,167
1881-82 - - - -	9,862,444	7,803,001
1882-83 - - - -	9,499,594	7,216,084
1883-84 - - - -	9,556,501	7,700,807
1884-85 - - - -	8,816,469	5,849,440
1885-86 - - - -	8,942,515	5,884,625
1886-87 - - - -	8,942,976	6,213,845
1887-88 - - - -	8,515,462	6,090,758
1888-89 - - - -	8,562,319	5,964,365
1889-90 - - - -	8,583,056	6,977,883
1890-91 (Revised Estimate) -	7,875,000	5,680,200
1891-92 (Budget Estimate) -	7,593,400	5,318,700

27. There are no grounds for anticipating any great falling off in Railway traffic leading to a net loss of Revenue in the Railway Revenue Account. At present, there are indications of a revival of traffic. Railway traffic rises and falls at intervals, and we may hope that the time has now come for improvement.

28. If, therefore, we exclude Exchange and Military Expenditure, the prospect before us is decidedly encouraging.

Military Expenditure.

29. It is impossible to speak with confidence regarding future Military Expenditure of all kinds, or regarding Exchange.

In considering our prospects so far as they are likely to be affected by Military Expenditure, I shall, as before, deal with the matter under the three great heads of Army, Military Works, and Special Defences. Under Military Works the expenditure is ordinarily limited to Rx. 1,000,000 yearly; in recent years there has been a special grant for Upper Burma, and further expenditure amounting to Rx. 30,000 yearly has been sanctioned in the current year to assist in providing a better water-supply for cantonments. I do not think that any further considerable increase of Expenditure is likely to occur under this head, and we may even expect a reduction in the special grant which has been made for some years for Military Works in Upper Burma.

30. With regard to the Expenditure shown under the head Army, it is not possible to arrive at an equally definite opinion. There are certain permanent charges which we know must be incurred from year to year, but it is impossible to say by what amount it may be found necessary to further increase the permanent cost of the Army. In the present year there have been additions to Expenditure which add Rx. 132,000 yearly to the permanent cost; these additions are composed of a number of items varying in amount from Rx. 90,000 for increased pay to Sillahdar Cavalry to Rx. 300 as an increase of the grant-in-aid to the Army Temperance Association. The best conclusion which I can form is that the permanent cost of the Army is likely to increase; that it is impossible to lay down any limit to such increase; but that we may hope that the increase will not be very great, or at any rate very rapid.

31. Besides the increase of permanent Expenditure, there are temporary increases of Expenditure which vary in aggregate amount from year to year, but which can never be expected to wholly disappear. The more important items of Expenditure of this class are those connected with Frontier expeditions. The amount provided on this account in 1891-92 is Rx. 155,000, intended to cover the cost of any Chin-Lushai expedition that may be found necessary, and to meet such portion of the expenditure on the Miranzai and Black Mountain expeditions as will not be met in the present year.

The expenditure on Frontier expeditions has been high in recent years. The following are the figures :—

	1886-87.	1887-88.	1888-89.	1889-90.	1890-91, Revised Estimate.	1891-92, Budget Estimate.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Hazarah Expedition	—	—	121,200	3,900	48,000	85,000
Chin-Lushai Expedition	—	—	49,100	350,700	200,000	50,000
Sikkim Expedition	—	15,500	204,100	66,400	—	—
Miranzai Expedition	—	—	—	—	47,500	20,000
Zhob Valley Expedition	—	—	—	—	57,100	—
TOTAL	—	15,500	374,400	421,000	352,600	155,000

As this expenditure has been so high for some years, we shall be unfortunate if it does not now fall off.

32. There are also at the present time special demands for re armament and providing the latest Military inventions. The amount included in next year's Estimate on this account is 688,225 *l.*

The chief items are 377,000 *l.* for magazine rifles and 203,170 *l.* for 12-pr. guns and ammunition.

It is probable that the 12-pr. guns and ammunition will be provided in the coming year, and, if so, this will complete this portion of the supply and will relieve the Estimates of 1892-93. But it is more difficult to say when the magazine rifles will be supplied. In the Estimate of the current year 518,000 *l.* was entered for magazine rifles, but according to the latest information only 141,000 *l.* will be spent, and the balance of 377,000 *l.* has consequently been provided in the Estimates of 1891-92.

If the whole of the special Ordnance Stores for which provision is made in the Estimate of the coming year be furnished and paid for within the year, the Estimate of the following year should be materially relieved. Judging from past experience, it is improbable that this will be done, and we can therefore look forward to only partial relief.

33. The total sanctioned Expenditure on Special Defence Works is Rx. 5,000,000.

It is estimated that to the end of 1891–92 Rx. 3,768,830 will have been spent, leaving only Rx. 1,231,170 for succeeding years. Here, also, it is impossible to say that the whole of the money provided in 1891–92 will be spent, and it is doubtful, therefore, if there will be any relief in 1892–93. Sooner or later, the sanctioned expenditure on Special Defence Works must come to an end, and there will then be a relief to the finances of nearly Rx. 1,000,000 yearly, unless other expenditure of a similar character should take its place.

34. In the Financial Statement for 1889-90 I pointed out that the Military Estimates for that year included special charges of Rx. 110,000 for the Sikkim and Lushai Expeditions, of Rx. 203,500 for thoroughly equipping at least one Army corps with transport, and of Rx. 301,800 on account of magazine rifles and 12-pr. guns, and stated that, as the original programme of military defences was approaching completion, there was at least some prospect of a material alleviation of existing burdens within the next few years. In the two years that have since elapsed that hope has not been realised, as the Military Expenditure in the Estimate of 1891–92 is placed at a higher figure than in the Estimate of 1889–90, if the effect of the rise in the rate of Exchange be excluded.

This failure in my anticipations shows the need for caution in any forecast which can now be made; and the only safe conclusion is that the permanent cost of the Army is likely to increase, but that the increase may not be very rapid; that there may be some reduction in 1892–93 of Expenditure on Frontier expeditions, and some reductions in Expenditure on Special Ordnance Stores and Special Defence Works; but that the reduction is not likely to be very great in that year, though it may be considerable in the following year.

Exchange.

35. In view of the special Military Expenditure now being incurred, the question of the probable rate of Exchange during the next few years possesses much interest. I shall devote a separate Section to questions of a general nature connected with Exchange, but I admit without hesitation that I cannot form such an opinion regarding the rate of Exchange during 1891-92 and 1892-93 as any moderately prudent man would care to act on in matters of business. The rise in the price of silver subsequent to the American legislation was evidently pushed higher by speculation than economic considerations justified, and it has been followed by the inevitable reaction. On the other hand, that reaction may have gone too far, and there may again be some rise. On the whole, the rate of Exchange taken in the Budget Estimate, namely, 1 *s.* 5·25 *d.*, seems to me a reasonable one under all the circumstances of the case.

The remarks made in paragraphs 25 to 28 have already shown the favourable features of the position; and I have now only to add that, so far as can be judged, our financial position during the next two years depends on two factors—Military Expenditure and Exchange. It is of great importance to the Indian finances that Exchange should not fall materially below the present rate for a year or two, that is, until we have experienced some relief from the heavy special Military charges which we are now bearing. If Exchange falls materially within the next year or two, we may find ourselves in a difficult position, though I believe the difficulties would prove to be only temporary. If Exchange does not fall for some time, or if the total Military Expenditure is reduced before it falls, there is no special reason to apprehend financial embarrassment.

Section VI.—EXCHANGE.

36. In the year now about to close, an extraordinary rise in the price of silver, and in Exchange, was brought about by legislation in the United States of America, and a fall almost equally great has occurred during the last few months. Silver rose from 43¾ *d.* per oz. in March last to 54½ *d.* per oz. in August; it is now 45 *d.* per oz., and it has been as low as 44⅛ *d.*

The rise in the average rate of Exchange largely reduced the expenditure of the Government of India, and, out of a total surplus of Rx. 2,787,100, about Rx. 1,726,500 is due to this cause alone.

This result, satisfactory so far as it goes, has not been attained without inflicting injury on the commerce of the country. For a time, trade between England and India was reduced to mere gambling, the fluctuations in Exchange being so great as to more than counterbalance the effect of the other elements which the trader has to take into consideration. It has even been said, with some truth, that at one time it would have been better for the merchant to dismiss his establishment and confine himself to speculations in silver; his expenses would have been less, and his chances of profit quite as good as in his legitimate business. The serious disturbance to the trade and commerce of India, which has resulted from legislation in a foreign country, shows that in questions connected with the standard of value no country is independent of the action of other nations, and, though the inhabitants of countries which use the gold standard are generally unwilling to admit that their standard can possibly alter in value, and refer all alterations in price to causes directly affecting the article sold, this view cannot be justified; the laws which regulate the value of silver equally apply to gold, and, if recent legislation in the United States has created a demand for silver and raised its value, the legislation of that and other countries in the past has in the same way created an additional demand for gold and raised the value of that metal. In the seven years 1871 to 1877, the average annual net export of gold from the United States was 6,790,000 *l.*; and in the eight years 1878 to 1885 the average annual net import was 4,886,000 *l.* This change indicates a reduction of over 11,500,000 *l.* yearly in the supply of gold to countries outside the United States. The recent additional demand for silver comes to only about 5,000,000 *l.* worth yearly. Why should an increased demand for gold, amounting to 11,500,000 *l.* yearly,

not

not affect the value of gold, while an increased demand of 5,000,000 *l.* worth yearly, so seriously affects the value of silver? The London banker may be quite satisfied that, in every case of fluctuation in the relative value of gold and silver, the latter metal merely rises or falls in price, and gold is always the same; but to the mind of the Indian ryot the rupee, instead of the pound sterling, is the one fixed point in an ever-changing world, and gold rises and falls in price in his bazaar like the most vulgar of marketable commodities.

Immediate Effects of the "Appreciation" of Silver.

37. It is a melancholy reflection that the violent fluctuations which we have experienced in 1890-91 have not resulted in a final settlement of the question. Exchange has risen and Exchange has fallen, the legitimate trader has suffered, and the speculator has made his gain or loss as the case may be, while the future of silver is as uncertain as before. The only permanent gain is that which has accrued to the student of Political Economy. The great currency question is one which refuses to die out, and, as our difficulties must, apparently, continue, until human intelligence or some happy accident has given us a final and satisfactory solution of the problem, it may be well to place on record the lessons to be learnt from our recent experience; these lessons may be useful to those who come after us.

The phrase "appreciation" or "depreciation" of the standard is one which is generally employed without any definite meaning being attached to it; but, if the phrase can ever safely be used, it may be applied to the recent rise in the value of silver, since, in this instance, there occurred a manifest rise in the value of the monetary standard of India, brought about by an increased demand for silver, and having its origin in legislation and the speculation which accompanied it.

In the first place, it may be noted that the recent appreciation of silver was not attended by an immediate and simultaneous fall in all prices and wages measured in silver, and that the subsequent depreciation was not attended by a corresponding rise in all prices and wages. The wholesale prices of the articles of international trade felt the influence of the rise in silver at once. It was also attended by what is called a trade depression, which would, no doubt, if the appreciation had continued, have extended throughout the country, and influenced all prices and wages except those which are fixed by law or custom. It is not, then, the case that an appreciation of the standard is, necessarily and immediately, followed by a corresponding fall in all wages and prices.

The fall in the first instance is partial, and there is not that immediate adjustment to the new conditions which would prevent economic disturbance, and leave everybody in the same relative position as before.

A Memorandum on this subject by Mr. J. E. O'Conor, C.I.E., Assistant Secretary to the Government of India, is printed as an Appendix to the Financial Statement.

In the next place, the appreciation of silver did not cause a high rate of discount, and was not accompanied by a great scarcity of silver in the centres of trade.

On the contrary, the accumulation of silver in the Indian Banks was absolutely unprecedented, and the rate of discount was the lowest that has ever been known.

We thus see that appreciation of the standard is not necessarily attended by a positive and manifest scarcity of the metal, leading to a want of current coin to carry on the ordinary transactions of daily life; that it does not affect retail transactions sooner than wholesale transactions; that all prices and wages do not fall simultaneously; that it does not lead to a scarcity of the metal of the standard in the Banks, and is not accompanied by a high rate of discount. On all these points the conclusions to be drawn from recent events are in full accordance with the principles of what I may call orthodox Political Economy, and are fatal to the contentions of those who lately argued that there could have been no appreciation of gold, in reliance on certain phenomena which, if they had been able to interpret them correctly, would have proved the exact contrary of that for which they were contending.

Importance of the Question.

38. The question of the future of silver possesses not merely a speculative, but an eminently practical interest for India. I have long held the opinion that, however distasteful to the majority of men currency discussions may be, and however unwilling we may be to undertake reforms which affect the standard of value, the perpetually recurring evils flowing from a difference of monetary standard between India and the other countries with which her financial and commercial transactions are so important, cannot, and should not, be endured for ever, and that sooner or later a final solution of the problem must be found; and I am unable to discover any permanent remedy for the evils which, day by day and year by year, press themselves upon our attention in India, except either the general adoption of the system of double legal tender or the extension of the single gold standard.

Authorities whom we all respect have said that the system of double legal tender is a practical impossibility; and, if I may venture to say so, I agree that the double legal standard is a practical impossibility so long as a majority of those affected are opposed to its adoption; if, however, the principle were accepted generally, the difficulties which now seem so real and practical would, I believe, prove to be purely imaginary.

The recent action of the United States has, no doubt, to some extent, raised the price of silver and caused a rise in the rate of Exchange, but what India requires is not a high rate of Exchange rather than a low rate, but some system under which fluctuations in Exchange shall be neither great nor frequent, and shall oscillate round a fixed point. In this respect we have, so far, lost rather than gained.

The Fallacy of a Stimulus to Trade.

39. It is held by some that a low rate of Exchange, or at any rate a falling rate, stimulates exports from India and is beneficial to the country, and, for proof of the correctness of their opinions, they point to the course of trade as it ebbs and flows daily before our eyes. With all deference to my friends who hold this opinion, I believe that it is one of the greatest delusions that ever gained possession of the human mind. Things are not always as they seem to be, and, though we can all see the sun rise in the East and set in the West, we do not in the present day believe that the sun revolves round the earth once in every period of 24 hours. Trade between different countries is essentially a barter of goods for goods, and its extent and nature are determined, in the long run, not by the standard of value in use in either country, but by the comparative cost of production of commodities in these countries. Nor can I discover any good ground for the belief that the Native of India must be able to get more piece-goods for his wheat, because his rupee will purchase a smaller quantity of gold, or, what is the same thing, because the British sovereign will purchase a larger quantity of silver. That trade between different countries ebbs and flows in accordance with the fluctuations in Exchange is a fact which falls within our daily experience, and is wholly in accordance with theory; but I have yet to learn that the total quantity of water discharged into the sea by a river is dependent on the tides at its mouth, and that the greater the strength of the tides the larger the total average volume of discharge. The current may run into greater velocity when the tide is falling, but the additional volume of water poured into the sea is only the same as the volume which was forced back when the tide flowed the other way. The truth is that the apparent stimulus to, or apparent check on, exports which accompanies a fall, or rise, in Exchange is followed in each case by a reaction of precisely equivalent magnitude, or is itself the reaction which naturally follows a previous check or stimulus. It will probably be a surprise to most persons to learn that the total fluctuations downwards of Exchange since 1873 very slightly exceed the total fluctuations upwards, the difference being, I believe, not more than 3 per cent. While repudiating the theory that trade between England and India is benefited by the absence of a common monetary standard, I do not deny that there is such a thing as a good standard of value and a bad standard of value, or hold that the question as to what is the best standard is of no practical importance. What I contend for is that the theory of a beneficial stimulus to trade, owing to fluctuations in Exchange between countries having different standards of value, is an

untenable

untenable and mischievous delusion. A sudden rise in Exchange, such as we had this year, will unquestionably check business for a time, and cause a depression of longer or shorter duration. But trade in time must adjust itself to the new scale of prices, and will then proceed as before. The existence of the Indian Tea Gardens depends, not on the relative value of gold and silver, but on the fact that the people of England want tea, and are willing to give iron, coal, or piece-goods, in exchange for it. An alteration in the relative value of gold and silver neither weakens their desire for tea nor reduces the amount of goods which they are willing to give in exchange for it, and cannot, therefore, in the long run, either stimulate or check the production of that article in India.

The Future.

40. The task which the United States has undertaken of raising the price of silver by purchasing yearly a fixed though large quantity of that metal, is one which, if undertaken by any other nation, would, I feel convinced, result in disaster; but, so great is the wealth of that country and so rapid its growth, that it would not be safe to say that its efforts must fail. We cannot blame the United States for adopting the course which seems best for its own interests, but I venture to think that it would have been better to at once adopt free coinage of silver. No doubt the people of the United States are warned in some quarters that the adoption of free coinage of silver will lead to the loss of their gold and end in financial ruin, but the same authorities not unfrequently warn India that her prosperity depends on her retaining the silver standard; and I know no reason why such different results in the case of the two countries should spring from the same cause. India uses the silver standard, but, though gold does not commonly circulate as money, she possesses an enormous quantity of that metal, and our experience shows that the silver standard gives rise to no difficulties in the interior of the country, and that the evils from which we suffer spring from the fact that we have large commercial and financial transactions with countries that have a different standard. The foreign trade of the United States is but a small fraction of its total trade, and there is no civilised nation in the world which is more independent of the foreigner.

If the United States should adopt free coinage of silver, it is possible that in time the other nations of the American Continent would follow its example; but, whether they did so or not, I should expect that the adoption of free coinage by the United States would lead to much greater stability in the relative value of gold and silver than we have experienced in recent years, though I am unable to say what the relative value of the two metals might prove to be under such a system. In that case it would probably be best for India to maintain the free coinage of silver for an indefinite period, in the hope that one day a final solution would be obtained.

41. On the other hand, if the United States should abandon its attempts to maintain silver as a monetary standard, and should put a stop to its purchases of that metal, a position of serious danger would be created for India. So long as any reasonable hope of a satisfactory settlement of the currency question remains, I think it would be unwise for India to adopt a gold standard; but the circumstances would be entirely changed if the United States altogether abandoned silver, and the question whether India should not, in that case, simultaneously close her mints to silver is one that deserves serious consideration. I have no right to commit the Government of India to any opinion on the subject; but it is my belief that in case of necessity the gold standard could be introduced into this country, and that, if America altogether abandons silver, it would probably be best that India should change her standard. The risks would be considerable and the sacrifices heavy, but almost anything would be better than to accept violent and continual fluctuations in Exchange as our inevitable lot for all time, with the prospect of a fall in the value of silver of quite indefinite amount. I mention the matter, not because there is any intention of taking steps in this direction at the present time, but because it is right that the Government of India and the Indian public should clearly understand what they may have to face in the future, and that they should make up their minds as to the course to be followed under certain conditions. If the United States abandons silver as a monetary standard, the disease will have run too far to be stayed by mere palliatives, and the patient may any day be called on to

choose between a difficult operation and life-long disease. If such a change is ever made, it will be found easiest and safest to adopt a gold standard at or about the exchange of the day, rather than to attempt to establish a higher rate. The great mass of the currency in ordinary use in India would continue to be silver as at present.

The adoption of a gold standard by India would probably be attended with very serious consequences for western nations; but, if, in this matter, they look only to what they conceive to be their own interests, they cannot reasonably object to India following the same course.

PART II.

IMPERIAL, PROVINCIAL, AND LOCAL FINANCE.

SECTION I.—ACCOUNTS OF 1889–90.

1. THE surplus anticipated for the year 1889-90, in the Revised Estimate of that year, was Rx. 1,809,700. The surplus shown by the Accounts, which are now closed, is Rx. 2,612,033. The actual surplus does not differ materially from that announced in Parliament by the Under Secretary of State for India in August last.

2. Explanations of the variations under the different heads will be found in the Appropriation Report published in the "Gazette of India" of the 7th March 1891. The following statement gives the general result of a comparison between the Revised Estimates and the Accounts of the year:—

	Revised.	Accounts.	Accounts Better.	Accounts Worse.
REVENUE.				
India - - - - - - - Rx.	84,155,300	84,598,760	443,460	—
England - - - - - - £.	331,700	335,768	4,068	—
Exchange - - - - - - Rx.	149,300	150,675	1,375	—
TOTAL - - - Rx.	84,636,300	85,085,203	448,903	—
EXPENDITURE.				
India—				
Imperial, Provincial, and Local Rx.	60,603,900	60,411,809	192,091	—
Adjustment of Provincial and Local Surplus or Deficit - Rx.	352,500	548,996	—	196,496
England - - - - - - £.	15,082,900	14,848,923	233,977	—
Exchange - - - - - - Rx.	6,787,300	6,663,442	123,858	—
TOTAL - - - Rx.	82,826,600	82,473,170	353,430	—
SURPLUS - - - Rx.	1,809,700	2,612,033	802,333	—

3. The Revenue in India exceeded the amount taken in the Revised by Rx. 443,460, and the Expenditure in India was less by Rx. 192,091. Of this total improvement of Rx. 635,551, Rx. 196,496 occurred in the Provincial and Local section of the Accounts. The improvement in the Imperial section was Rx. 439,055. Adding to this the increase of Revenue of Rx. 5,443, including Exchange, and the saving in Expenditure of Rx. 357,835, including Exchange, which occurred in England, we get the total Imperial improvement of Rx. 802,333.

4. The

4. The improvement in the Revenue in India, Rx. 443,460, occurred chiefly under the Principal Heads of Revenue, the total of which was more by Rx. 437,013; of this amount, the sum of Rx. 164,099 was due to larger realisations of Land Revenue, and the remainder was fairly equally distributed over the other heads, with the exception of Salt, the Revenue under which was slightly less than the Revised Estimate. Of the other groups of heads, Railways and Civil Departments show increases of Rx. 102,177 and Rx. 38,051, while Military and Miscellaneous show decreases of Rx. 78,630 and Rx. 62,586; the variations in the other groups are unimportant

5. Of the decrease of Rx. 192,091 in the Expenditure in India, more than half occurred under the group Direct Demands on the Revenue, the chief decreases appearing under Opium and Forests. The remainder of the saving in Expenditure was distributed over the other groups, only two showing a larger Expenditure than that of the Revised Estimate, namely, the Railway Revenue Account, and Post Office, Telegraph, and Mint.

6. The difference between the Revised Estimate of Expenditure in England and the actual Expenditure, with the Exchange on it, amounts to Rx. 357,835. The saving is spread over nearly all the heads, the more important being Army, Rx. 249,881, and Special Defence Works, Rx. 63,355.

7. It will be observed that the difference between the Revised Estimate and the Actuals is as usual on the side of safety, there having been a net improvement of Rx. 802,333. The reasons why the Revised Estimate always errs on the side of caution were explained in the Budget Statement for last year, Part II., paragraph 4.

8. The Expenditure on Railways and Canals not charged against Revenue was also less than that taken in the Revised Estimate, the difference being Rx. 294,710, of which Rx. 271,742 fell under Railways and Rx. 22,968 under Irrigation Works. This difference does not affect the amount of the surplus of the year.

SECTION II.—REVISED ESTIMATES OF 1890-91.

9. In the following Statement the Budget and Revised Estimates for 1890-91 are compared:—

	Budget.	Revised.	Revised Better.	Revised Worse.
REVENUE.				
India - - - - - - Rx.	84,576,100	84,799,300	223,200	—
England - - - - - £.	245,500	388,100	142,600	—
Exchange - - - - - Rx.	110,500	126,100	15,600	—
TOTAL - - - Rx.	84,932,100	85,313,500	381,400	—
EXPENDITURE.				
India—				
Imperial; Provincial, and Local Rx.	62,335,700	61,902,700	433,000	—
Adjustment of Provincial and Local Surplus or Deficit - Rx.	—757,700	—312,800	—	444,900
England - - - - - - £.	15,919,800	15,801,100	118,700	—
Exchange - - - - - - Rx.	7,163,900	5,135,400	2,028,500	—
TOTAL - - - Rx.	84,661,700	82,526,400	2,135,300	—
SURPLUS - - - Rx.	270,400	2,787,100	2,516,700	—

10. It will be seen that a surplus of Rx. 2,787,100 is now expected, though in the Budget Estimate the surplus was only Rx. 270,400. This result is chiefly due to the rise in the rate of exchange.

1890-91. Revenues in India. Heads in which the Revised Estimate exceeds the Budget.

11. The Revenue in India is now expected to be Rx. 223,200 more than anticipated last March.

The group "Principal Heads of Revenue," excluding opium, shows an improvement of Rx. 778,900; but the net improvement is less owing to large decreases of Revenue under certain heads. The following are the more important increases over the Budget figures which are now expected:—

	Rx.
Salt	219,700
Stamps	61,200
Excise	79,200
Provincial Rates	126,000
Customs	161,400
Mint	120,000
Irrigation	136,200

These increases are to a large extent due to the general progress of the country, with the exception of that under Mint, which is due to the unusually large amount of bullion presented for coinage.

1890-91. Revenues in India. Heads in which the Revised Estimates fall short of the Budget.

12. The following are the heads under which the more important decreases occur:—

	Rx.
Opium	328,300
XXIV—Exchange	313,500
State Railways	172,500
Army Receipts	126,000

Of the falling off in the Revenue from opium, Rx. 200,000 occurs in Bombay, and is due to a small extent to the number of chests exported being less than was anticipated, but chiefly to the reduction of the export duty from R 650 to R 600 a chest from 5th July last. A reduction of Rx. 132,300 occurs in Bengal, and is due to the heavy decline in prices at the monthly sales.

The diminution of the receipts, which appear under XXIV—Exchange, is partly due to the rise in the rate of exchange during the year, and partly to diminution in the capital transactions of the railways concerned.

The reduction in the State Railway receipts is explained by a falling-off in goods traffic during a portion of the year. The falling-off in traffic was partly due to an inferior winter harvest in some provinces, and partly to the temporary rise in exchange and the great and rapid fluctuations which occurred. The traffic on the railways generally has lately recovered. The receipts of Guaranteed Railways were also low during the earlier part of the year, but the recent improvement in traffic has been sufficient to justify a somewhat higher estimate of net receipts.

The diminution in Army Receipts is due to the discontinuance of the employment of State agency for the supply of malt liquor to the British Troops in Bombay and Madras. This experiment involves an almost corresponding reduction in charges.

1890-91. Revenue in England.

13. The increase of Rx. 158,200 in the Revenue in England, including Exchange, occurs chiefly under interest, Rx. 130,000, and medical, Rx. 40,700. The former of these is due to the Secretary of State having had a large cash balance, and having been able to invest portions of it temporarily at high rates of interest. The latter is due to a special receipt from the sale of the Ealing Lunatic Asylum.

1890-91. Expenditure in India.

14. The expenditure in India is now expected to be less by Rx. 433,000 than was estimated last March. This is the net result of a number of variations from the figures of the Budget. The more important are the following:—

Expenditure less.		Expenditure more.	
Opium	110,000	Interest	138,200
Police	124,200	Political	74,400
State Railways—Working Expenses	233,900	Military Works	64,700
Guaranteed Railways—Surplus Profits, &c.	53,300	Civil Works	60,100
Special Defence Works	162,500		

15. The

15. The saving in the Opium Expenditure is caused by the produce of the season's crop having been considerably less than seemed probable last March. Heads of Expenditure in India in which the Revised Estimate is less than the Budget.

The fact that some of the Local Governments provided in the Budget for certain measures for improving the organisation and working of the Police, which have not yet been carried out, accounts for a portion of the saving under Police. There has also been a considerable saving in Upper Burma, where three battalions of Military Police were converted into Regiments of the Madras Army, three battalions of that Army being at the same time disbanded.

The smaller Expenditure on State Railways is an accompaniment of the diminution in the receipts, and the decrease in Surplus Profits of Guaranteed Railways is due to the slack traffic of the earlier part of the year. The recent recovery in traffic will increase the surplus profits payable next year.

The reduction of Expenditure on Special Defence Works means that the progress of some of the works has not been so great as was intended.

16. The increase under Interest is in consequence of the considerable success which attended the offer made in Notification No. 3117, dated 25th June 1890, for the conversion of the 4½ per Cent. Loans of 1878 and 1879 into the 4 per Cent. Loans. The amount converted on the terms offered is Rx. 8,313,200, of which Rx. 5,139,690 was held in England and Rx. 3,173,510 in India. The payment of commission, and the payment in advance of the half per cent. difference in the rate of interest for the remainder of the term of the loan, with the changes in the dates on which interest becomes payable, result in an increase of the charges of this year. The benefit will be reaped in future years in a reduction of the interest charge by Rx. 41,566 yearly. Heads of Expenditure in India in which the Revised Estimate is highe than the Budget.

The larger portion of the increase under Political is accounted for by a portion of the subsidy of the Amir of Afghanistan due in 1889–90 having been paid in arrears in the present year. Increased political expenditure was also sanctioned after the Estimates of the year had been framed, chiefly in Biluchistan.

The increase under Military Works is due to the maintenance of the Frontier Roads having been charged to this head, to the Military Works share of the expenditure on the Quetta Water Works, Rx. 49,900, being paid this year, although the Budget did not provide for it, and to an additional grant made during the course of the year, in consideration of the lapses of the preceding year.

The increase under Civil Works occurs in the Provincial-Local Section of the Accounts.

17. The entry of Rx. 444,900 on account of "Adjustment of Provincial and Local Surplus or Deficit" in the statement in paragraph 9, means that a net improvement of this amount has occurred in the Provincial-Local Section of the Accounts, and must therefore be deducted to arrive at the Imperial improvement. Adjustment of Provincial Surplus or Deficit.

18. The Expenditure in England is expected to be less by 118,700 *l.* than the Budget Estimate. The only important decreases occur under Special Defence Works 125,500 *l.*, Civil Furlough and Absentee Allowances 41,000 *l.*, and Army 30,300 *l.* The net result of the other decreases and increases causes a slight diminution of the savings just mentioned. 1890-91. Sterling expenditure in England.

The saving under Special Defence Works is due to the progress made in supplying the guns and other stores for the works being less than was anticipated.

The diminution of sterling Expenditure under Civil Furlough allowances is due to a large number of officers electing to draw their absentee allowances in India, in consequence of the market rate of exchange being higher than the official rate. The counterbalancing increase in Indian charges is distributed over the Expenditure of the department to which the officers belong.

The saving under Army is due to the non-supply of Magazine Rifles and Ammunition. Expenditure on this account, amounting to 377,000 *l.*, is postponed from this year and provided for in the Budget Estimate of 1891-92. Nevertheless, the total saving on Military stores in the Revised Estimate is only 72,800 *l.* This result is due to the expenditure for Martini-Henry Rifles and other Ordnance stores having been much larger than was intended when the Budget Estimate for 1890-91 was framed. The non-receipt of the Magazine

Rifles rendered it necessary to incur heavy expenditure (319,166 *l.*) in the purchase of Martini-Henry Rifles and Carbines.

1890-91. Exchange on sterling expenditure.

19. The Exchange on Expenditure in England shows an improvement of Rx. 2,028,500. This large saving is due to the rise in the rate of Exchange during the year. The rate assumed for the Budget was 1 *s.* 4·552 *d.* = one rupee. The average rate for the year is now expected to be 1 *s.* 6·113 *d.* = one rupee.

SECTION III.—BUDGET ESTIMATES, 1891-92.

20. The following table contrasts the figures of the Budget Estimate for 1891-92 with those of the Budget Estimate for 1890-91:—

	1890-91.	1891-92.	1891-92 better than 1890-91.	1891-92 worse than 1890-91.
REVENUE.				
India - - - - - - Rx.	84,576,100	85,729,500	1,153,400	-
England - - - - - - £.	245,500	212,600	-	32,900
Exchange - - - - - - Rx.	110,500	83,200	-	27,300
TOTAL - - - Rx.	84,932,100	86,025,300	1,093,200	-
EXPENDITURE.				
India—				
Imperial, Provincial, and Local Rx.	62,335,700	64,516,000	-	2,180,300
Adjustment of Provincial and Local Surplus or Deficit - Rx.	—757,700	—828,400	70,700	-
England - - - - - - £.	15,919,800	15,972,100	-	52,300
Exchange - - - - - - Rx.	7,163,900	6,250,000	913,900	-
TOTAL - - - Rx.	84,661,700	85,909,700	-	1,248,000
SURPLUS - - - Rx.	270,400	115,600	-	154,800

1891-92. Revenue in India.

21. The Revenue in India is expected in 1891-92 to exceed the Budget Estimate for 1890-91 by Rx. 1,153,400. This is the net result of increases under most of the heads of revenue, counterbalanced by decreases in a few heads.

The more important increases are—

	Rx.
Land Revenue - - - - - - - - -	524,900
Salt - - - - - - - - - -	110,000
Stamps - - - - - - - - -	113,300
Excise - - - - - - - - -	109,200
Provincial Rates - - - - - - -	181,500
Customs - - - - - - - - -	139,800
Assessed Taxes - - - - - - - -	51,600
Forests - - - - - - - - -	96,700
Interest - - - - - - - - -	64,700
State Railways - - - - - - - -	882,700
Irrigation - - - - - - - - -	125,600

While the only important decreases are—

	Rx.
Opium - - - - - - - - -	609,900
XXIV—Exchange - - - - - - - -	402,100
Guaranteed Railways - - - - - - - -	162,000
Army - - - - - - - - -	176,000

22. The

Heads of Revenue in India in which increases are expected.

22. The more important heads under which an improvement is expected will be noticed in Section IV., and it will be sufficient to say here that, excepting Land Revenue, Provincial Rates, Interest, and State Railways, the increases anticipated are normal improvements in revenue. Most of the increase in Land Revenue and Provincial Rates is due to Settlement and Survey Operations. Rx. 38,025 of the increase under Interest is due to the increase of the Paper Currency investment by one crore. The inclusion of the gross receipts of the South Indian Railway, which became a State Railway on 31st December 1890, for twelve instead of three months, and of those of the Bengal and North-Western Railway in consequence of its being now worked as one undertaking with the Tirhoot Railway, and the completion of the Bengal-Nagpur Railway, account for the whole of the increase in State Railway Revenue. The failure to realise the increase in Railway Revenue, which was expected in 1890-91, renders it unsafe to estimate for an increase, as compared with the Budget of 1890-91, in Railway receipts.

Heads of Revenue in India in which decreases are expected.

23. The fall in the Opium Revenue in Bombay, Rx. 200,000, is due to the reduction of the duty on Malwa Opium, and in Bengal, Rx. 416,000, to the fall in price of the Bengal Opium.

The falling-off in the receipts under XXIV.—Exchange, is due partly to the rate of exchange assumed for 1891-92 being higher than that assumed last March for 1890-91, and partly to the capital transactions of the Railways in connection with which these receipts mainly arise being smaller.

The larger part of the decrease under Guaranteed Railways is nominal, being due to the transfer of the South Indian Railway to the category of State Railways. The remainder occurs on the Great Indian Peninsula Railway; the traffic on that line has been so slack this year that it is not deemed safe to estimate as high a revenue for 1891-92 as was taken for 1890-91.

The decrease under Army is due to the cause mentioned in para. 12.

1891-92. Revenue in England.

24. The Revenue in England is expected to be less than the Budget Estimate of 1890-91 by 32,900 *l.* This is due to the fact that it is not expected that the Secretary of State will be able to make temporary loans to the same extent as this year.

The diminution in the receipts from exchange on sterling Revenue is due chiefly to the rate of exchange for 1891-92 being taken at a higher rate than for 1890-91.

1891-92. Expenditure in India. Heads in which the expenditure is expected to be more than that estimated for 1890-91.

25. The expenditure in India in 1891-92 is expected to be Rx. 2,180,300 more than that estimated for 1890-91. The more important increases are :—

	Rx.
Land Revenue	174,200
Forests	58,700
Law and Justice—Courts	83,200
Scientific and Minor Departments	106,600
Protective Railways	975,000
Construction of Railways (charged to Revenue)	205,700
State Railways—Working Expenses	558,200
Railway Interest on Debt	132,000
Irrigation, Minor Works	99,200
Civil Works	438,700

The increase under Land Revenue occurs in Madras, Upper and Lower Burma, Bengal, and Bombay. Of the increase in Madras, Rx. 80,900, the sum of Rx. 65,000 is Local, caused by larger allowances to District and Village Officers, and the rest is due to the intended appointment of additional Subordinate Magistrates to relieve Tahsildars of Magisterial work, and to the increase of the staff of the Department of Land Records and Agriculture. The increases in Upper Burma, Rx. 31,400, and Lower Burma, Rx. 10,800, are mainly for Surveys, which will ultimately prove remunerative, the charges for collection also rising with the receipts. In Bengal, the increase of Rx. 26,900 is mainly for Survey and Settlement, the charges for the improvement of

Government estates being also raised. The increase of Rx. 17,100 in Bombay occurs in the Department of Land Records and Agriculture and its subordinate establishments.

The increase under Forests follows the extension of the operations of the Department, about Rx. 20,000 of it being, however, due to a re-organisation of the staff of the Department which has been deemed necessary for its proper working and extension. The Revenue is expected to increase more than the Expenditure.

The increase under Law and Justice is caused by larger establishments being required for the prompt dispensation of justice.

The Census charges account for the increase under Scientific and Minor Departments. These are estimated to amount to Rx. 188,000 in 1891–92, against Rx. 85,000 in the Budget of 1890–91 (the latter being reduced in the Revised to Rx. 74,700). The corresponding charges of the last Census in 1881 were :—

	Rx.
In 1880–81 - - - - - - - - - - - -	30,198
In 1881–82 - - - - - - - - - - - -	158,640

The total cost of the Census of 1881 amounted to Rx. 220,241. The estimate of the total cost of the present Census is about Rx. 270,000.

The increased expenditure on Protective Railways is a consequence of the decision of the Government, as explained in para. 16 of Part I., to restore the Famine Grant to the full original amount of Rx. 1,500,000. The Famine Grant was partially restored last year, and a part of the increase of Rx. 975,000 under Protective Railways is counterbalanced by a reduction of Rx. 524,500 under Reduction of Debt; it has been decided to devote the Grant to the construction of Protective Railways rather than to direct reduction of debt.

The increase under Construction of Railways, not charged to the Famine Grant or to Loans, is Provincial and Local, and is for the Haiderabad-Umarkot Railway in Bombay, and the Mayaveram-Mutupet Railway in Madras.

The increase in the working expenses of State Railways is due to the transfer of the South Indian Railway to the State, to the inclusion under this head of the Bengal and North-Western Railway, and to the larger mileage of the Bengal-Nagpore Railway.

The larger interest charges for Railways are due to the increase in Capital Expenditure during the year. This increase in the charge for interest represents a transfer from the interest on Ordinary Debt, which is estimated to be less in 1891–92 than the Budget Estimate for 1890–91 by Rx. 197,700. Of this reduction Rx. 41,566 represents the gain next year by the conversion operations mentioned in paragraph 16, and the remainder is due to the transfers from Ordinary to Public Works Debt.

The increase under Irrigation, Minor Works, occurs in Burma, Upper and Lower, and the Punjab.

The increase under Civil Works occurs in the Provincial and Local section of the Accounts, and indicates that the resources at the disposal of the Provincial Governments have increased.

1891–92. Heads of expenditure in India in which the expenditure is expected to be less than the estimate of 1890–91.

26. The only important decreases of expenditure in India are :—

	Rx.
Interest on Ordinary Debt - - - - - - - -	197,700
Reduction of Debt - - - - - - - - - -	524,500
Army - - - - - - - - - - - -	240,500
Special Defence Works - - - - - - - - -	65,800

The first two are explained above in the portions of the preceding paragraph relating to Protective Railways and Railway interest charges.

The decrease under Army is due mainly to the rise in the rate of exchange for the conversion into rupees of the pay of the British troops, and to less expenditure being expected on frontier expeditions and on preparations for speedy mobilisation.

A smaller grant for Special Defence Works has been given in 1891-92 than in 1890-91, because experience shows that the works cannot be carried out so fast as has been assumed in past years.

27. The

27. The increase in the deductions shown in the table in paragraph 20 on account of the "Adjustment of Provincial and Local Surplus or Deficit" is due to the Provincial Governments proposing to spend from their accumulated balances next year somewhat more than what they proposed to spend this year. Adjustment of Provincial balances"

28. The increase in the expenditure in England, as shown in the table in paragraph 20, is 52,300 *l.* The important heads of increase are:— 1891-92. Sterling expenditure in England.

	£.
Marine	64,300
Superannuations	71,500
Interest on Debt, State Railways	140,500

and of decrease:—

Interest on Ordinary Debt	75,100
Guaranteed Railways Interest	222,100

29. The increase under Marine is in consequence of the proposed payment of a subsidy of 60,000 *l.* to the Admiralty for manning and maintaining Indian Government Defence vessels. This represents the cost of the officers and men required to man the two turret ships, the two gun-boats, and the seven torpedo boats, which have been constructed to aid in the defence of the Indian Ports. It was at first proposed to man these vessels from the Indian Marine establishments; but it was ultimately decided that it was preferable that the Royal Navy should furnish the officers and men required, and that a subsidy should be paid to the Admiralty. Heads of expenditure in England in which increases are expected.

The increase under Superannuations is due to the grant of a minimum rate of exchange of 1 *s.* 9 *d.* for the payment of pensions fixed in rupees, and to the increase of the pension list.

The interest on the stock issued to provide funds for the purchase of the South Indian Railway accounts for the increase under State Railway Interest.

30. The decrease in the interest on Ordinary Debt is due to transfers to the Railway Debt. Heads of expenditure in England in which decreases are expected.

The decrease under Guaranteed Railway Interest is caused by the purchase by the State of the South Indian Railway.

31. The saving of Rx. 913,900 in the Exchange on Expenditure in England is explained by the difference in the rate of exchange adopted in the two years, namely, 1 *s.* 5·25 *d.* as against 1 *s.* 4·552 *d.* 1891-92. Exchange on sterling expenditure.

Section IV.—Examination of the Estimates under the more important Heads of Revenue and Expenditure.

Land Revenue.

32. The Estimates of Land Revenue for 1890-91 and 1891-92 and the actual receipts for the three preceding years are shown in the following statement:—

	Accounts, 1887-88.	Accounts, 1888-89.	Accounts, 1889-90.	Budget Estimate, 1890-91.	Revised Estimate, 1890-91.	Budget Estimate, 1891-92.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue, including that due to irrigation.	23,791,847	23,687,445	24,671,165	24,562,500	24,635,500	25,155,500
Expenditure	3,486,685	3,513,957	3,624,194	3,713,400	3,703,900	3,887,400
Net	20,305,162	20,173,488	21,046,971	20,849,100	20,931,600	21,268,100

These figures show that the rise in this most important revenue head continues. The revised Estimate of Revenue for 1890-91, though it is higher than the Budget Estimate, is not quite equal to the specially high actuals of 1889-90; but the Budget Estimate for 1891-92 exceeds that for 1890-91 by Rx. 593,000.

The Land Revenue in Bengal, Assam, and the small tracts administered directly by the Government of India, is practically stationary. In all the other provinces it is increasing, and notably in Burma, the North-Western Provinces and Oudh, Bombay, and the Central Provinces.

In Lower Burma an increase of Rx. 65,000 over the Budget of 1890-91 is expected in 1891-92, of which Rx. 48,000 is anticipated in the revised Estimate. Of the total increase about Rx. 30,000 is due to increased rents for fisheries, and the remaining Rx. 35,000 is caused by the extension of surveys and the consequent assessment of lands which have hitherto escaped payment of revenue.

In Upper Burma the increase anticipated is Rx. 81,000, of which Rx. 56,000 will be secured in the present year according to the revised Estimate. The restoration of order, survey and assessment operations, and more efficient administration, account for the improvement. After 1891-92 the increase is expected to be at a still higher rate, as settlements are completed.

The increase expected in the North Western Provinces and Oudh is Rx. 195,800, of which Rx. 100,000 in round numbers is due to settlement operations, and the remainder to the collection of arrears for the current year, in which the Revised falls short of the Budget Estimate.

For Bombay the increase is Rx. 148,400, of which Rx. 137,000 will be secured in the present year according to the revised Estimate. The causes are survey settlement operations and the opening of irrigation works.

In the Central Provinces an increase of Rx. 28,500 is anticipated. The cause is the progress of settlement operations.

Opium.

33 The figures are:

	Accounts, 1887-88.	Accounts, 1888-89.	Accounts, 1889-90.	Budget Estimate, 1890-91.	Revised Estimate, 1890-91.	Budget Estimate, 1891-92.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	8,515,462	8,562,319	8,583,056	8,203,300	7,875,000	7,593,400
Expenditure - -	2,424,575	2,597,905	1,605,107	2,304,800	2,194,700	2,274,600
Net - - -	6,090,887	5,964,414	6,977,949	5,898,500	5,680,300	5,318,800

The fluctuations in the figures of Revenue, of Expenditure, and of net Revenue, indicate the difficulty of framing accurate estimates under this head.

The receipts in Bengal in the current year will be Rx. 132,300 less than was estimated last March. The prices realized at the monthly sales have fallen during the year, from an average of ₹ 1,074 a chest at the sale of April last to an average of ₹ 1,001 at the sale of the current month.

The receipts in Bombay will also be less this year than was expected. This is due, to a small extent, to the number of chests exported having been smaller than the estimate made in March last, but chiefly to the reduction of duty from ₹ 650 to ₹ 600 a chest in July last. This reduction appeared necessary in view of the great competition in China of the indigenous drug.

The expenditure consists chiefly of payments for the Opium crops in the Behar and Benares Agencies. As the crop of the current year has proved to

be

be a smaller one than was expected when the last Financial Statement was prepared, the expenditure this year will be Rx. 110,000 less than the estimate. The estimate of expenditure for next year is taken lower than that for 1890-91 by Rx. 30,200.

If the forecast of the crop proves correct, the Opium Reserve will stand as follows:—

31st December 1891 - - - - - - - chests 18,770
31st December 1892 - - - - - - - - „ 18,300

SALT.

34. The figures of Revenue and Expenditure are—

	Accounts, 1887-88.	Accounts, 1888-89.	Accounts, 1889-90.	Budget Estimate, 1890-91.	Revised Estimate, 1890-91.	Budget Estimate, 1891-92.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	6,670,728	7,675,634	8,187,739	8,233,500	8,453,200	8,343,500
Expenditure - -	410,704	412,979	412,766	453,000	437,700	466,900
Net - - -	6,260,024	7,262,655	7,774,973	7,780,500	8,015,500	7,876,600

The Revised Estimate for this year is Rx. 219,700 higher than the Budget Estimate. The Estimate for next year is only Rx. 110,000 higher than the Budget Estimate for this year. It is necessary to take the receipts for next year somewhat lower than they are now expected to be in the current year, because the cash receipts in Madras have been unduly raised this year, owing to the purchasers having availed themselves to a much smaller extent than usual of the permission to defer payment of duty for six months on lodging security.

35. The subjoined table gives the consumption of salt in maunds in each year since 1882-83:—

Years.	Total Consumption of Salt.	Total Consumption, excluding Burma.	Total Consumption, excluding Burma, Trans-Indus, and other Lightly Taxed Salt.
1882-83 - - - - - -	29,848,273	28,719,755	28,140,182
1883-84 - - - - - -	30,724,745	29,338,652	28,801,485
1884-85 - - - - - -	33,034,081	31,347,056	30,629,054
1885-86 - - - - - -	31,729,313	30,606,425	29,937,701
1886-87 - - - - - -	33,772,033	32,198,347	31,496,564
1887-88 - - - - - -	33,117,827	31,186,605	30,478,060
1888-89 - - - - - -	31,394,857	31,080,704	30,306,800
1889-90 - - - - - -	33,086,400	31,896,631	31,068,494
1890-91 - - - - - -	33,141,000	31,710,000	31,004,000

For the year 1890-91 these figures are based on the actual consumption of salt to the end of February 1891; for March an estimate is made based on the experience of past years.

36. Excluding Burma, where the rate of duty is only ₹ 1 per maund, the consumption of the current year promises to be slightly below that of 1889-90. It is also less than that of 1886-87, and it is only a little more than one per cent.

cent. in excess of the consumption of 1884–85, a year in which the consumption was distinctly above the average of the time. Including Burma, the consumption of this year will be only fractionally in excess of that of 1889–90, and the consumption of that year was also only a trifle more than that of 1884–85.

Stamps.

37. The figures are—

	Accounts, 1887–88.	Accounts, 1888–89.	Accounts, 1889–90.	Budget, Estimate, 1890–91.	Revised Estimate, 1890–91.	Budget Estimate, 1891–92.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	3,876,298	3,927,088	4,087,908	4,034,900	4,096,100	4,148,200
Expenditure - - -	163,414	154,172	134,373	143,100	132,000	132,400
Net - - -	3,712,884	3,772,916	3,953,535	3,891,800	3,964,100	4,015,800

Revenue tends steadily to increase under this head.

Excise.

38. The figures are—

	Accounts, 1887–88.	Accounts, 1888–89.	Accounts, 1889–90.	Budget Estimate, 1890–91.	Revised Estimate, 1890–91.	Budget Estimate, 1891–92.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	4,534,655	4,705,346	4,891,894	4,844,500	4,923,700	4,953,700
Expenditure - -	127,078	137,941	156,739	172,600	176,800	188,700
Net - - -	4,407,577	4,567,405	4,735,155	4,671,900	4,746,900	4,765,000

The Revenue from Excise continues to increase; the increase is the consequence partly of general prosperity, and partly of more efficient administration resulting in the diminution of illicit practices, and the consequent levy of duty on a larger proportion of the total amount of spirit and drugs consumed in India. The Province in which the increase of Revenue is the largest is Madras, which is also the Province in which the administration has been described as the most efficient and the best adapted to secure the objects to which the administration should be directed.

Customs.

39. The figures are—

	Accounts, 1887–88.	Accounts, 1888–89.	Accounts, 1889–90.	Budget Estimate, 1890–91.	Revised Estimate, 1890–91.	Budget Estimate, 1891–92.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	1,348,837	1,332,784	1,506,686	1,561,100	1,722,500	1,700,900
Expenditure - -	134,891	133,897	135,021	138,600	136,600	140,600
Net - - -	1,213,946	1,198,887	1,371,665	1,422,500	1,585,900	1,560,300

The

The Revenue in the current year is now expected to be considerably higher than the Estimate made last March. The improvement occurs chiefly in Burma and Bengal, there being a smaller increase in Bombay and a decrease in Madras. The increases occur, in Burma entirely, and in Bengal chiefly, under exports. The rice harvest has been good in both these Provinces, and there has been a very active demand for export, mainly in consequence of the failure of the rice crop in Japan, which, in ordinary years, competes with Indian rice in the European and American markets. It is considered safe to anticipate that most of the increase secured this year will be retained next year, and the Revenue for 1891-92 has been estimated at only Rx. 21,600 less than the Revised Estimate for 1890-91.

For the 10 months ending 31st January the receipts from import duty and their distribution among the dutiable articles have been :—

	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.
	Rx.	Rx.	Rx.	Rx.	Rx.
Arms, &c.	18,500	18,200	20,200	19,500	23,556
Malt Liquor	8,600	10,400	12,700	13,900	15,863
Cider and other fermented liquors	100	100	100	200	150
Spirits	350,900	375,800	405,500	403,100	446,364
Wines, &c.	38,500	42,500	41,100	40,200	43,025
Petroleum	- -	- -	97,100	131,200	128,182
TOTAL	416,600	447,000	576,700	608,100	657,140

In the export revenue there has been a considerable increase in the 10 months of the present year. The figures are,—

	Rx.
1886-87	411,000
1887-88	453,000
1888-89	363,000
1889-90	458,000
1890-91	616,177

The increase of the duty realised on spirits deserves notice. It is due to the enhancement of the duty mentioned in paragraph 29, Part II., of the Financial Statement of last March. The quantity imported has slightly decreased, being 883,135 gallons in the past 10 months of this year, as compared with 885,088 gallons in the same period of 1889-90.

ASSESSED TAXES.

40. The figures are,—

	Accounts, 1887-88.	Accounts, 1888-89.	Accounts, 1889-90.	Budget Estimate, 1890-91.	Revised Estimate, 1890-91.	Budget Estimate, 1891-92.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue	1,431,436	1,520,940	1,595,274	1,558,700	1,603,500	1,610,300
Expenditure	28,679	27,128	27,681	31,200	29,500	31,600
Net	1,402,757	1,493,812	1,567,593	1,527,500	1,574,000	1,578,700

FORESTS.

41. The figures are,—

	Accounts, 1887-88.	Accounts, 1888-89.	Accounts, 1889-90.	Budget Estimate, 1890-91.	Revised Estimate, 1890-91.	Budget Estimate, 1891-92.
	Rx.	Rx	Rx.	Rx.	Rx.	Rx.
Revenue - - -	1,124,125	1,349,047	1,486,303	1,414,400	1,451,200	1,511,100
Expenditure - -	719,794	792,000	780,035	847,900	812,800	905,700
Net - - -	404,331	557,047	706,268	566,500	638,400	605,400

The gross revenue and the surplus in 1889-90 were exceptionally high, for the reasons, affecting Burma chiefly, mentioned in the Financial Statement of March last. Though not so high as in that exceptional year, the amounts taken for the Revised Estimate of 1890-91 and for 1891-92 indicate the continued progress of the Forest Administration. The surplus for 1891-92 would have been higher, had it not been that an increased expenditure of over two lakhs of rupees has been sanctioned for a reorganization of the Forest staff, deemed necessary to ensure more efficient working and the proper development of Forest operations.

INTEREST.

42. The Interest receipts since 1887-88 are shown below:

	Accounts, 1887-88.	Accounts, 1888-89.	Accounts, 1889-90.	Budget Estimate, 1890-91.	Revised Estimate, 1890-91.	Budget Estimate, 1891-92.
Revenue:						
India - - Rx.	652,853	643,310	676,703	700,000	705,900	764,700
England - £.	65,978	135,477	135,633	62,000	166,000	30,000
Exchange - Rx.	27,724	63,035	60,865	27,900	53,900	11,700
TOTAL - Rx.	746,555	841,822	873,201	789,900	925,800	806,400

These receipts arise in India partly from the Paper Currency investment and partly from the loans and advances made by the Government to Municipalities, cultivators, &c., and in England from the temporary investments of the cash balance of the Secretary of State.

It will be seen that the receipts in India are slowly progressive. The increase in recent years is largely due to the development of the policy described in paragraphs 114 to 118 of the Financial Statement for 1889-90, under which loans and advances are made for the benefit of cultivators and public bodies through the Local Governments, who are responsible for the ultimate recovery of the amounts. Of the increase of Rx. 64,700 anticipated in 1891-92, Rx. 38,025 is due to an additional crore of the Paper Currency reserve having been invested in Government securities in the current year in accordance with the Notification in the Finance and Commerce Department, No. 5,900, dated 19th December 1890.

The receipts in England are variable, and depend on the state of the Secretary of State's cash balance in London. In the present year his cash balance was high, and he was able to make temporary loans at higher rates of interest and to a larger extent than was anticipated when the Budget Estimate was framed. Hence the increase of the Revised over the Budget Estimate. A lower estimate of receipts from this source has been taken by the Secretary of State for next year.

43. The

43. The expenditure on interest (other than that charged to Railways and Irrigation Works) has been as follows since 1881–82:—

Year.	India.	England.	Exchange.	Total.
	Rx.	£.	Rx.	Rx.
1881–82 - - - - -	1,827,369	2,513,126	518,461	4,858,956
1882–83 - - - - -	1,718,857	2,481,978	569,349	4,770,184
1883–84 - - - - -	1,516,887	2,447,333	559.241	4,523,461
1884–85 - - - - -	1,371,347	2,612,657	634,855	4,618,859
1885–86 - - - - -	1,136,962	2,429,243	764,656	4,330,861
1886–87 - - - - -	736,495	2,597,198	976,715	4,310,408
1887–88 - - - - -	662,025	3,365,509	1,414,220	5,441,754
1888–89 - - - - -	811,191	2,662,331	1,238,737	4,712,259
1889–90 - - - - -	760,375	2,402,478	1,078,110	4,240,963
1890–91, Budget - - - -	696,600	2,482,600	1,117,100	4,296,300
1890–91, Revised - - - -	834,800	2,513,100	816,800	4,164,700
1891–92, Budget - - - -	517,600	2,407,500	942,100	3,867,200

The steady reduction in the ordinary interest charges in India shown in the above table is explained by the fact that the expenditure on Railways and Irrigation Works not charged against revenue has for many years exceeded the amount borrowed in India, and the excess is every year transferred from the Ordinary to the Public Works portion of the Public Debt, thus reducing the Ordinary, and increasing the Public Works Interest charges. The effect of this cause on the years 1890–91 and 1891–92 is much increased, in consequence of no loan having been required in 1890–91, and it being anticipated that none will be required in 1891–92.

The increase shown in the Revised, as compared with the Budget, Estimate of 1890–91, is due to the conversion operations undertaken in India this year, as explained in paragraph 16. Of the decrease in 1891–92 the sum of Rx. 41,566 is due to the result of those operations as mentioned in that paragraph.

With regard to the sterling expenditure in England, it may be said that the ordinary interest charges have for many years remained stationary, except for two causes, namely,—

(1.) The additional interest charges incurred by the Public Works Loan having been raised in England instead of India in 1885–86 and in 1886–87; and

(2.) The saving secured by the conversion operations of 1887–88, which increased the charges of that year, but reduced those of all future years.

The Secretary of State does not now borrow in England for ordinary purposes, and the other variations in the Sterling Ordinary Interest charges are temporary only, being caused by the loans raised in England for railways, or portions of them, being raised sometimes a little before they are required and treated as ordinary debt till they can be transferred to the Railway Revenue Account. The discount on the loan raised for the purchase of the South Indian Railway explains the excess of the Revised over the Budget Estimate of the current year. The decrease in the Budget Estimate of 1891–92, compared with that for 1890–91, is explained by the transfer during this year of interest on the loan for the purchase of the South Indian Railway from Ordinary Debt to the Railway Debt.

Post Office.

44. The figures are :—

	Accounts, 1887-88.	Accounts, 1888-89.	Accounts, 1889-90.	Budget Estimate, 1890-91.	Revised Estimate, 1890-91.	Budget Estimate, 1891-92.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	1,214,196	1,281,540	1,301,247	1,386,200	1,393,800	1,423,900
Expenditure - -	1,375,201	1,342,452	1,376,619	1,419,900	1,399,900	1,459,000
Net Expenditure -	161,005	60,912	75,372	33,700	6,100	35,100

The Revenue increases steadily, and the net cost of the department, as shown in the accounts, is being reduced. It is now expected that the revenue for 1890-91 will be greater and the expenditure less than was estimated last March. The increase in the net cost for 1891-92, as compared with the Revised Estimate for 1890-91, is due to the reductions in the rates of Foreign Postage. The rate for letters to the United Kingdom was reduced from 1st January of this year from 4½ annas to 2½ annas; this involves a sacrifice of about Rx. 30,000 a year. The rate for letters to almost all other foreign countries, notably Australia, the continent of Europe, and America, will be reduced to 2½ annas from 1st April next; the cost of this is estimated at Rx. 4,500; when this change is made, the rate of postage from India to all foreign countries, with a few unimportant exceptions, will be a uniform rate of 2½ annas. The rate of postage to and from Aden will be reduced to the ordinary Indian inland rate from 1st April.

Telegraph.

45. The figures for the Capital Account and the Revenue Account of the Telegraph Department are:—

	Accounts, 1887-88.	Accounts, 1888-89.	Accounts, 1889-90.	Budget Estimate, 1890-91.	Revised Estimate, 1890-91.	Budget Estimate, 1891-92.
Telegraph Capital Account:	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Receipts - - - -	231	1,191	—	—	—	—
Expenditure - - -	256,338	158,858	162,080	222,300	195,800	190,600
Net Expenditure - - -	256,107	157,667	162,080	222,300	195,800	190,600
Telegraph Revenue Account:						
Revenue - - - -	763,655	740,957	766,865	793,200	781,700	779,500
Expenditure - - -	530,289	545,234	569,275	578,200	585,700	601,800
Net Receipts - - -	233,366	195,723	197,590	215,000	196,000	177,700

The decrease in net receipts anticipated next year is due to the reduction of the transit rates on foreign messages passing through India from 75 to 35 centimes a word. This reduction was settled at the recent Telegraph Conference in Paris. At the Conference slight reductions were also agreed to in the Indian terminal rate on messages from certain countries, and in the rate on messages from all countries to Ceylon; but these are of less importance.

MINT.

46. The figures are—

	Accounts, 1887–88.	Accounts, 1888-89.	Accounts, 1889-90.	Budget Estimate, 1890-91.	Revised Estimate, 1890-91.	Budget Estimate, 1891-92.
	Rx.	Rx	Rx.	Rx.	Rx.	Rx.
Revenue - - -	251,464	221,138	269,512	244,000	364,000	266,300
Expenditure - -	94,001	99,967	120,530	108,200	126,400	116,700
Net - -	157,463	121,171	148,982	135,800	237,600	149,600

The Receipts and, in a less degree, the Expenditure of the Mint fluctuate considerably. The Revenue and Expenditure will be specially high in the current year, owing to the unprecedentedly large coinage. The large imports of bullion this year came chiefly from China, the Straits Settlements, Australia, and Austria. The Estimate for 1891-92 does not assume the continuance of this high rate of coinage. The value of silver bullion presented at the Mints for coinage has been as under, in the last few years :—

	Rx.
1884–85 - - - - - - - -	5,610,880
1885–86 - - - - - - - -	8,838,580
1886–87 - - - - - - - -	3,822,170
1887–88 - - - - - - - -	7,135,860
1888–89 - - - - - - - -	6,550,852
1889–90 - - - - - - - -	7,724,738
1890-91 (partly estimated) - - -	12,750,000

CIVIL DEPARTMENTS.

47. The receipts appertaining to the group "Civil Departments" are not important. The following table gives the Expenditure under the several heads composing the group :—

	Accounts, 1887–88.	Accounts, 1888–89.	Accounts, 1889–90.	Budget Estimate, 1890-91.	Revised Estimate, 1890 91.	Budget Estimate, 1891–92.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
General Administration - - -	1,769,035	1,745,156	1,759,193	1,769,400	1,741,300	1,763,800
Law and Justice :						
Courts - - - - - -	2,651,051	2,694,252	2,716,275	2,759,900	2,752,200	2,844,200
Jails - - - - - -	771,872	834,183	857,691	887 900	881,500	916,100
Police - - - - - - -	3,693,621	3,754,294	3,887,564	3,949,200	3,825,000	3,938,500
Marine (including River Navigation)	670,845	578,284	657,865	619,200	580,400	710,600
Education - - - - - -	1,291,811	1,293,660	1,316,286	1,395,800	1,362,300	1,426,900
Ecclesiastical - - - - -	159,122	156,856	161,663	167,200	166,200	169,900
Medical - - - - - - -	764,945	772,233	785,243	810,300	802.500	833,100
Political - - - - - - -	684.660	756,193	655,254	731,100	805.100	764,800
Scientific and other Minor Departments - - - - - - -	448.502	428,432	438,967	506,800	486,700	608,600
TOTAL - - -	12,906,364	13,013,543	13,235,406	13,596,800	13,397,200	13,976,500

The increase in the Budget Estimate of 1891-92 in the expenditure on Courts of Justice, occurs mainly in Bengal, the North-Western Provinces and Oudh,

and Madras. In Bengal the increase is due to the necessity of appointing additional Subordinate Judges and Munsiffs. The increase in the North-Western Provinces and Oudh is due to a general re-organisation of the Judicial and Revenue staff, resulting in an increase of the former; the re-organisation does not involve any increase of expenditure on the whole. In Madras the increase is due to the appointment of additional Subordinate Magistrates mentioned in paragraph 25.

The increased expenditure on Jails, chiefly in Bengal, occurs under Manufactures, and is, to nearly the whole extent, counterbalanced by increased receipts.

The reduction of the expenditure under Police in the Revised Estimate of 1890-91 is due, as explained in paragraph 15, partly to the reduction of three battalions of Police in Upper Burma, and partly to schemes of improvement and re-organisation for which grants were made not having been brought into operation. In 1891-92 a saving of Rx. 90,000 is expected in Upper Burma. Almost the whole of this saving is counterbalanced by certain Local Governments having again made provision for schemes for improving the organisation and working of the police.

The increase in 1891-92 in Marine Expenditure is explained in paragraph 29.

The expenditure on Education and under Medical increases steadily from year to year.

The explanation of the excess of the Revised Estimate under Political over the Budget Estimate of 1890-91, and the reduction of part of that excess in 1891-92, is given in paragraph 16.

The variations in the figures for Scientific and Minor Departments in 1890-91 and 1891-92 are explained by the Estimates of the cost of the Census.

Famine Relief and Insurance.

48 The figures are—

Expenditure.	Accounts, 1887-88.	Accounts, 1888-89.	Accounts, 1889-90.	Budget Estimate, 1890-91.	Revised Estimate, 1890-91.	Budget Estimate, 1891-92.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Famine Relief - - -	402	7,799	68,288	10,500	8,000	3,000
Construction of Protective Railways - - -	–	–	–	–	–	975,000
Construction of Protective Irrigation Works - -	91,006	70,537	71,457	65,000	75,600	65,000
Reduction of Debt - -	–	–	460,255	524,500	516,400	–
Total - - -	91,408	78,336	600,000	600,000	600,000	1,043,000

The important changes affecting this head of Expenditure are explained in paragraph 16 of Part I. of this Statement, and paragraphs 14 to 20 of the Financial Statement of last March.

The total of the Famine Relief and Insurance Grant in the Revised Estimate agrees with that of the Budget Estimate for 1890-91.

With the addition of the net charge (Rx. 457,000) on account of the Bengal-Nagpur and the Indian Midland Railways (*see* paragraph 18 of Part I. of the Financial Statement for 1890-91), the grant for 1891-92 will be raised to its original amount of Rx. 1,500,000.

RAILWAYS.

49. The following table shows the main features of Railway working since the year 1887-88 :—

	REVENUE.							EXPENDITURE.					
	Actuals, 1887-88.	Actuals, 1888-89.	Actuals, 1889-90.	Budget, 1890-91.	Revised, 1890-91.	Budget, 1891-92.		Actuals, 1887-88.	Actuals, 1888-89.	Actuals, 1889-90.	Budget, 1890-91.	Revised, 1890-91.	Budget, 1891-92.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.		Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
	14,533,033	15,520,359	16,605,177	17,151,100	17,006,400	17,872,100	India -	8,987,477	9,471,958	10,331,564	10,727,900	10,458,900	11,457,600
	230	230	293	200	900	200	England -	5,399,392	5,652,240	5,609,417	5,717,200	5,702,300	5,690,000
	97	107	131	100	300	100	Exchange	2,268,877	2,629,890	2,517,221	2,572,800	1,853,200	2,226,500
Loss on the Railway Account.	2,122,386	2,233,392	1,852,601	1,866,500	1,006,800	1,501,700							
TOTAL -	16,655,746	17,754,088	18,458,202	19,017,900	18,014,400	19,374,100		16,655,746	17,754,088	18,458,202	19,017,900	18,014,400	19,374,100

Railways in 1890-91.

50. It will be seen that the net loss on the Railway Account, which was estimated in the Budget of the current year at Rx. 1,866,500, is in the Revised Estimate placed at only Rx. 1,006,800. Of this improvement (Rx. 859,700) no less than Rx. 712,700 is obtained from the rise in Exchange, which reduces the equivalent of the sterling payments of interest in England.

The Miscellaneous Railway Expenditure, principally expenditure on surveys, is now expected to be greater than the Budget Estimate by Rx. 42,100.

The gross traffic receipts of State lines are expected to be less than the Estimate by Rx. 172,500, but, on the other hand, the working expenses are less by Rx. 233,900, giving a net improvement of Rx. 61,400.

The gross receipts of the Guaranteed lines will be Rx. 48,300 less than the Estimate, but the Expenditure, including the payment of surplus profits, will be reduced by Rx. 131,200, giving a net improvement of Rx. 82,900.

State Railways, 1890-91.

51. Whilst the net result is thus in fairly close approximation to the Budget Estimate, there have been some noticeable variations in particular lines.

The earnings of the East Indian Railway are now expected to be lower than the Estimate by Rx. 110,000, but this will be more than covered by estimated savings in Expenditure of Rx. 155,000. The receipts in the earlier part of the year were lower than usual, but the traffic has recently revived, and the variation is small considering the magnitude of the figures involved. The decrease in Expenditure is due mainly to smaller maintenance charges, to the postponement of renewals of engines, and, to a small extent, to reductions in establishment.

A falling off has occurred in the Rajputana-Malwa traffic of Rx. 95,000. On the Oudh and Rohilkhund Railway a decrease has occurred, due to no little extent to the very heavy floods that breached the line.

The Indian Midland progresses far more slowly than might have been reasonably anticipated; but the Burma lines continue to improve, and the Eastern Bengal has had the most favourable season on record, owing to large carriage of jute, and to a pilgrim passenger traffic of almost unprecedented magnitude in February.

From the 1st July, the Tirhoot State Railway was handed over to the Bengal and North-Western Railway Company under a working contract, and from that date the transactions of the combined undertaking have been classed under State Railways.

The South Indian Railway was purchased by the State on 31st December last, and, together with the lines hitherto known as the Villupuram-Guntakal and Cuddapah-Nellore, handed over to a new Company (which is also a shareholder in the combined undertaking), to complete and work.

Guaranteed Railways, 1890-91

The earnings of the Great Indian Peninsula Railway will be less than the estimate by Rx. 108,800, owing to a moderate traffic in the earlier months of the year; but its expenses, including payment of surplus profits, will be less by Rx. 124,200, giving a net result in close approximation to the Estimate.

The Madras lines continue steadily to improve.

 52. Excluding

Railways in 1891-92.

52. Excluding Exchange, on which account a sum of Rx. 373,500 is provided in excess of that entered in the Revised Estimate, the net result on Railway Account for 1891-92 is Rx. 121,400 worse than the Revised Estimate of the current year, a result which may be briefly ascribed to the increase in the charges for interest being slightly more than the increase in the net earnings, and to larger payments on account of surplus profits owing to the brisk traffic in the closing months of the current year.

State Railways, 1891-92.

In 1891-92 the gross receipts of State Railways are estimated at Rx. 1,055,200 higher than the Revised; but of this it is estimated that Rx. 500,000 are due to the inclusion for 12 instead of 3 months of the South Indian Railway, and Rx. 80,000 to the inclusion for 12 instead of 9 months of the Bengal and North-Western Railway.

The most noticeable increases occur on the Bengal-Nagpur, Rx. 130,000; Indian Midland, Rx. 55,000; Southern Mahratta, Rx. 40,000; and Burma Railways, Rx. 20,000; all due to the usual growth of traffic on lines recently opened; and on the East Indian Railway, Rx. 80,000; Oudh and Rohilkhund Railway, Rx. 55,000; Rajputana-Malwa Railway, Rx. 50,000; North-Western Railway, Rx. 50,000. On the other hand, it has been thought desirable to reduce the Estimate for the Eastern Bengal Railway by Rx. 65,000, as the traffic in the current year has been abnormally good.

Guaranteed Railways, 1891-92.

The net traffic receipts of Guaranteed Railways are taken at Rx. 187,900 below the Revised Estimate. This is primarily due to the removal of the South Indian Railway from the category of Guaranteed Railways. A slight improvement is expected on the Great Indian Peninsula and Bombay, Baroda and Central India Railways; but, on the other hand, the working expenses show a slight increase, and the payment of surplus profits will be higher on account of the present heavy traffic.

IRRIGATION.

53. The Irrigation Revenue makes satisfactory progress. The figures are :—

	Actuals, 1887-88.	Actuals, 1888-89.	Actuals, 1889-90.	Budget, 1890-91.	Revised, 1890-91.	Budget, 1891-92.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	1,714,274	1,900,718	1,991,078	2,035,000	2,171,200	2,160,600
Expenditure - -	2,461,646	2,622,964	2,652,707	2,739,400	2,762,800	2,883,100
Net Expenditure -	747,372	722,246	661,629	704,400	591,600	722,500

In the current year the improvement in Revenue is chiefly due to increased irrigation from the Western Jumna and Sirhind Canals in the Punjab, and from the Ganges Canal in the North-Western Provinces. There is also an increase in the share of land-revenue due to irrigation in the North-Western Provinces and Oudh, and in Madras, owing in the former to the re-settlement of the Bulandshahr District, and in the latter to the extension of irrigation in the Godavari and Kistna Deltas.

The Budget allows for the general expansion of the operations of the Department. But it has been necessary to reduce the estimate of receipts in the North-Western Provinces and Oudh and in the Punjab, where the season of 1890-91 was unusually favourable for irrigation.

Special repairs to the Ganges Canal, larger expenditure on the Gokak Canal in Bombay, and the strengthening of the Irrawaddy and Sittang embankments in Lower Burma, counterbalanced by a decrease in the expenditure on the Hidgellee Tidal Canal in Bengal, account for the increase in expenditure in the current year.

In

In the Budget the increase in expenditure is chiefly due to larger allotments to Upper and Lower Burma, and to provision having been made for the construction of a canal from the Kabul River in the Punjab.

The charges for interest have increased in consequence of additional capital outlay.

Buildings and Roads.

54. The Estimates are:—

Revenue.

	Actuals, 1887-88.	Actuals, 1888-89.	Actuals, 1889-90.	Budget, 1890-91.	Revised, 1890-91.	Budget, 1891-92.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Military and Civil Works - - -	592,338	604,753	650,398	589,400	637,700	597,100

Expenditure.

	Actuals, 1887-88.	Actuals, 1888-89.	Actuals, 1889-90.	Budget, 1890-91.	Revised, 1890-91.	Budget, 1891-92.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Military Works - -	1,232,060	1,108,206	1,138,463	1,169,700	1,220,400	1,130,300
Civil Works - -	4,218,989	4,202,526	4,273,726	4,556,600	4,601,600	4,978,800

The expected improvement in Revenue in the Revised Estimate is due to increased receipts from Military Buildings, and to the sale of a portion of the Custom House at Calcutta to the East Indian Railway for Rx. 31,700, and to the transfer of the Lock Hospital and site at Rangoon to the Burma State Railway at a valuation of Rx. 9,800. The excess of the Military Works Expenditure in the Revised, as compared with the Budget Estimate, is explained in paragraph 16.

By far the greater portion of the Civil Works Expenditure is Provincial and Local. The Imperial share is Rx. 734,300 in the Revised Estimate, and a large portion of this, Rx. 290,000, is for Buildings and Communications in Upper Burma, and Rx. 12,500 is for Buildings and Roads in Zhob.

The outlay from Local Funds amounts to Rx. 1,646,500, and from Provincial to Rx. 2,220,800.

The Provincial Expenditure depends to a great extent on the state of the Provincial balances. The increase in the total grant for next year is considerable, and occurs chiefly in Bengal, the North-Western Provinces and Oudh, and Madras; a special expenditure of Rx. 20,000 in the Punjab for the reconstruction of the Lawrence Military Asylum at Sanawar is also included.

The figures for Provincial Expenditure on Civil Works are:—

	Actuals, 1887-88.	Actuals, 1888-89.	Actuals, 1889-90.	Revised, 1890-91.	Budget, 1891-92.
	Rx.	Rx.	Rx.	Rx.	Rx.
Provincial Civil Works Outlay -	1,732,667	1,814,931	1,945,626	2,220,800	2,574,200

ARMY.

General examination of the increase of Military expenditure in recent years.

55. As Military expenditure accounts for a large portion of the total increase in the expenditure of the Government of India in recent years, it may be useful to prefix to the notice of the Estimates of 1890–91 and 1891–92, under this head, a general review of the expenditure for some years. The following statement shows the total Military expenditure charged under "Army" in India and in England, including Exchange, in each year since 1881–82:—

YEARS.	India.	England.	Exchange.	TOTAL.
	Rx.	£.	Rx.	Rx.
1881–82	14,850,657	4,010,485	827,368	19,688,510
1882–83	13,433,231	4,007,019	919,183	18,359,433
1883–84	11,952,166	5,023,584	1,147,942	18,123,692
1884–85	12,023,629	3,974,422	965,752	16,963,803
1885–66	15,247,088	3,689,380	1,161,311	20,097,779
1886–87	14,620,516	3,564,166	1,340,360	19,525,042
1887–88	15,104,908	3,741,015	1,572,011	20,417,934
1888–89	14,812,591	3,746,205	1,743,045	20,301,841
1889–90	14,944,095	3,957,703	1,776,016	20,677,814
1890–91, Budget	14,806,600	4,620,100	2,079,000	21,505,100
1890–91, Revised	14,816,000	4,589,800	1,491,700	20,897,500
1891–92, Budget	14,565,500	4,661,600	1,824,100	21,051,200

56. It will be seen that the expenditure decreased in each of the earlier years down to 1884–85, and that since 1885–86 there has been an increase. The decrease in the earlier years was largely due to the cessation of the expenditure connected with Military operations in Afghanistan. The total in 1883–84 was swelled by the payment of 1,000,000 *l.* on account of arrear charges of the War Office. If that sum, with the Exchange on it, be left out of consideration as not properly belonging to the year, it may be said that in the two years, 1883–84 and 1884–85, the Military expenditure had fallen to the level of that of the period before the Afghan war; the total expenditure, including exchange calculated by the method now in use, was Rx. 15,701,990 in 1875–76, Rx. 16,467,663 in 1876–77, and Rx. 17,300,790 in 1877–78.

57. Since 1884–85 the expenditure on the Army has been permanently raised to a much higher level, and is increasing. Most of the increase in 1885–86 was in consequence of the war preparations in that year. From 1886–87 the increase is due to the raising of the strength of the Army in India, and to greater Military activity in various directions.

Total increase of Military expenditure in recent years, about Rx. 4,000,000.

58. The expenditure shown in the Revised Estimate for 1890–91, and in the Budget Estimate of 1891–92, is about Rx. 4,000,000 higher than the expenditure of 1884–85. It was explained in paragraph 58 of Part II. of the Financial Statement of last March, that a large portion of the expenditure provided in 1890–91 was for special ordnance stores, and a hope was expressed that a reduction would be possible in 1891–92. This expectation has not been realised. A large part of the special ordnance stores, which were to be supplied in 1890–91, has not been supplied; and 377,000 *l.*, not expended this year on magazine rifles and ammunition, has been provided again in the Estimates of next year, in which provision is also made for other special ordnance demands amounting to over 300,000 *l.* If, contrary to past experience, it should turn out that the special expenditure will be completed in 1891–92, the increase in Military expenditure may be reduced considerably in 1892–93 and succeeding years.

59. The

59. The following are short explanations of the variations in the figures in the Budget and Revised Estimates for 1890–91, and in the Estimate for 1891–92 :— The Estimates for 1890–91 and 1891–92.

The Revised Estimate of expenditure in India for 1890-91 is Rx. 10,000 more than the Budget Estimate. An expenditure of Rx. 160,000 on expeditions not contemplated when the Budget was framed has been incurred, and the value of officers' pensions capitalised has been Rx. 25,000 higher than the Estimate. Against these increases there have been savings under Regimental Pay and Allowances and under Commissariat Charges.

The Revised Estimate for sterling expenditure in England is less than the Budget Estimate by 30,300 *l.*

The Budget Estimate of expenditure in India in 1891–92 is Rx. 240,500 less than the Estimate for 1890–91. The decrease is due to the difference in the pay of British troops at the rates of exchange for the two years, and to less expenditure being expected on frontier expeditions and on preparations for mobilisation.

The sterling expenditure in England is estimated to be 41,500 *l.* higher in 1891–92 than the Estimate of 1890–91.

Special Defence Works.

60. The following are the figures for "Special Defence Works" :—

		Rx.
1885–86		137,811
1886–87		325,626
1887–88		456,017
1888–89		789,595
1889–90		689,481
1890–91	Budget Estimate	892,300
	Revised „	523,300
1891–92	Budget „	847,000

The expenditure on these works for the current year is now expected to be much less than the amount entered in the Budget Estimate. Similar lapses occurred in previous years. The total expenditure on Special Defences is estimated at Rx. 5,000,000, and, as the expenditure to the end of 1891–92 is expected to amount to Rx. 3,768,830, there will remain Rx. 1,231,170 to be incurred in 1892–93 and future years.

61. There is another class of expenditure, namely, that on Strategic Railways, which may appropriately be mentioned in connection with the Special Defence Works. The expenditure on Strategic Railways has been up to date Rx. 9,500,000 in round numbers.

UPPER BURMA.

62. The following table gives the Revenue, the Expenditnre, and the net Expenditure, on account of Upper Burma, from the year following the annexation :—

Revenue.

	Land Revenue.	Other Civil Revenue.	State Railway Receipts.	Total.
	Rx.	Rx.	Rx.	Rx.
1886–87	167,200	55,300	—	222,500
1887–88	378,800	123,500	—	502,300
1888–89	436,000	284,600	31,900	752,500
1889–90	539,600	333,500	161,400	1,034,500
1890–91 (Revised)	630,600	316,900	195,000	1,141,000
1891–92 (Budget)	655,000	323,300	212,500	1,190,800

EXPENDITURE.

——	Police.	Other Civil Expenditure.	Railways (including Interest on Capital).	Military Works.	Civil Works.	Irrigation.	Army Special Expenditure.	TOTAL.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
1886-87 - - -	849,000	165,100	—	74,000	171,500	13,800	1,517,800	2,291,200
1887-88 - - -	709,200	265,700	—	314,800	343,000	12,600	1,475,300	3,120,600
1888-89 - - -	794,900	436,700	103,300	160,900	295,900	24,800	631,600	2,448,100
1889-90 - - -	861,700	393,700	218,700	142,500	296,800	19,200	435,800	2,368,400
1890-91 (Revised) -	777,400	451,500	223,700	145,200	*290,900	30,000	380,000	2,297,800
1891-92 (Budget) -	748,100	499,300	232,700	150,000	300,000	50,000	406,000	2,386,100

NET EXPENDITURE.

1886-87.	1887-88.	1888-89.	1889-90.	1890-91 (Revised).	1891-92 (Budget).
Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
2,068,700	2,618,300	1,695,600	1,333,900	1,156,800	1,189,300

It will be seen that from the beginning there has been a steady increase in the Revenue, and from 1887–88 a steady decrease in the Expenditure.

The net cost of holding Upper Burma has been reduced from Rx. 2,618,300 in 1887–88 to about Rx. 1,150,000 in the present year. The deficit for 1891–92 is estimated at a slightly higher figure than the Revised Estimate of 1890–91. But, as the results have always hitherto proved better than the anticipations, we may hope that the deficit will be further reduced in 1891–92.

SECTION V.—EXPENDITURE NOT CHARGED TO REVENUE.

Capital Expenditure on Railways.

63. The Expenditure not charged to Revenue falls under three heads:—

48.—Capital Outlay on State Railways.

49.— " Ditto on Irrigation Works.

50.—Capital charges involved in the redemption of liabilities.

64. The following table gives the figures of the Estimates for 1890–91 and 1891–92 for Capital Expenditure on Railways, the amount charged to the Famine Grant being included for convenience, although it is charged to Revenue:—

——	India.	England.	Exchange.	TOTAL.
	Rx.	£.	Rx.	Rx.
1890-91, Budget Estimate - -	1,960,200	855,000	384,800	3,200,000
1890-91, Revised Estimate - -	1,519,300	1,106,200	359,500	2,985,000
1891-92, Budget Estimate - -	2,266,600	1,192,000	466,400	3,925,000

Of the amount proposed for expenditure in 1891–92, Rx. 975,000 have been provided from the Famine Grant and shown under the head "34—Construction of Protective Railways."

The Revised Estimate for 1890–91 is placed at Rx. 2,985,000, against Rx. 3,200,000, provided in the Budget Estimate, the lapse being Rx 215,000. The heaviest expenditure has been on the Villapuram-Guntakal, the Mu Valley, the East Coast, and on the Chaman Extension Railways. The Jummoo-Kashmir line (British Section) has been completed; the Durbhunga-Bairagnia branch of the Tirhoot Railway and the Mianwali-Mari branch of the North Western Railway

Railway are nearly completed, while considerable progress has been made with the East Coast Railway, and a start has been made on the Godhra-Rutlam and Dharmaveram-Hindupur lines.

The provision for 1891–92 will, it is hoped, complete the Chaman extension, the Villapuram-Guntakul, and the Dharmaveram-Hindupur, as well as the small unfinished branches before alluded to. Large grants are provided for the East Coast and Mu Valley Railways, and a considerable sum for the Godhra-Rutlam.

The following figures show the rate at which railways have been constructed at the cost, or on the responsibility, of the Government since 1880 :—

Date.	Number of Miles Open.
31st March 1880	8,382
„ 1881	9,134
„ 1882	9,437
„ 1883	9,748
„ 1884	10,188
„ 1885	10,824
„ 1886	11,173
„ 1887	12,000
„ 1888	12,915
„ 1889	13,648
„ 1890	14,297
„ 1891 (Revised Estimate)	15,316

The following table gives the total Capital Outlay on Railway Construction up to date :—

——	State Railways.	State Railways Constructed through the Agency of Companies.	Guaranteed Railways.	Total.	Annual Progress.
To end of—	Rx.	Rx.	Rx.	Rx.	Rx.
1879-80	27,083,837	—	96,829,909	124,813,896	—
1880-81	67,201,036	—	66.348,478	133,549,544	8,735,738
1881-82	70,546,309	—	67,021,756	137,568,065	4,018,521
1882-83	72,770,870	468,270	67,431,448	140,676,588	3,108,523
1883-84	76,620,723	704,155	68,769,369	146,103,247	5,426,659
1884-85	81,365,833	3,126,906	69,904,127	154,397,166	8,293,919
1885-86	90,836,553	4,775,059	67.883,682	163,498,294	9,101,128
1886-87	108,456,220	7,915,378	57,046,325	173,417,923	9,919,629
1887-88	110,788,941	12.979,680	57,694,898	181,463.519	8,045,596
1888-89	111,990,360	18,097,843	58,313,774	188,401 977	6,938,458
1889-90	124,058,103	20,410,257	49,385,293	193,853,653	5,451,676
1890-91, Revised	127,052,203	21,856,137	49,883,392	198,791,732	4,938,079
1891-92, Budget	136,156,411	22,887,127	45,715,363	204,758,901	5,967,169

65. The figures of the Accounts and Estimates for Capital Expenditure on Irrigation Works not charged to Revenue are :— Capital Expenditure on Irrigation Works.

Actuals, 1887–88.	Actuals, 1888-89.	Actuals, 1889–90.	Budget, 1890-91.	Revised, 1890–91	Budget, 1891–92.
Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
533,048	459,890	378,932	550,000	504,400	550,000

The reduction in the Revised Estimate from Rx. 550,000 to Rx. 504,400 is due to the postponement of the construction of the Cawnpore Branch of the Lower Ganges Canal. The construction of the Sirsa Branch of the Western Jumna Canal and of the Chenab Canal in the Punjab is in active progress, and good progress has been made with the Periyar Project in Madras.

In 1891-92 the outlay will be principally in the Punjab and Madras, where the above-mentioned works are in progress, and in the North-Western Provinces and Oudh on the Ganges Canal.

Capital charges involved in the redemption of liabilities.

66. No expenditure connected with the redemption of liabilities is expected in 1891–92. The purchase of the South Indian Railway caused expenditure in the current year 1890–91. The amount was taken in the Budget Estimate at 4,695,000 *l.* The actual charge has amounted to somewhat less, 4,692,600 *l.*, and that amount is entered in the Revised Estimate. The purchase money amounted to 4,197,600 *l.*, but of this 1,000,000 *l.* is provided by such of the stock-holders as form the new Company, leaving 3,197,600 *l.* to be paid by the Government of India. In addition the Government had to assume the liability for the Debentures and Debenture Stock issued by the Company, 1,495,000 *l.* in amount.

Section VI.—WAYS AND MEANS—HOME TREASURY.

67. The Budget and Revised Estimates of the transactions of the Home Treasury for 1890-91 compare as follows:—

	Budget, 1890–91.	Revised, 1890–91.
Net Receipts.	£.	£.
Council Bills	14,989,000	15,989,000
Permanent Debt incurred:—		
3 per cent. stock	5,400,000	5,400,000
Debentures and Debenture Stock of the South Indian Railway.	1,495,000	1,495,000
Capital Receipts from railway companies	2,732,300	104,500
Deposits and advances	2,200	—
Add Opening Balance	4,503,833	5,402,873
TOTAL £.	29,122,333	28,391,373
Net Outgoings.		
Excess of expenditure over revenue	15,674,300	15,413,000
Capital expenditure of Government in England	857,800	1,113,200
Capital Charges involved in redemption of liabilities	4,695,000	4,692,600
Permanent Debt—		
Discharge of the Oudh and Rohilkhand Railway Debentures.	500,000	500,000
4 and 5 per cent. stock discharged	—	88,300
Issues to railway companies on capital account	4,045,600	2,277,600
Deposits and advances	—	4,300
On account of remittances from India	1,197,200	769,900
Add Closing Balance	2,152,433	3,532,473
TOTAL £.	29,122,333	28,391,373

There

Council Bills.

There has been a considerable demand for Council Bills during the year, and, with a view to reduce the amount to be drawn in 1891-92, the Secretary of State proposes to draw 1,000,000 *l.* more than that entered in the Budget Estimate.

3 per cent. sterling loan issued during the year.

As announced in the last Financial Statement, 3 per cent. stock for 5,400,000 *l.* was issued in May 1890; the average rate was 99 *l.* 11 *s.* 1 *d.* per cent. Of this amount 3,200,000 *l.* was for the purchase of the South Indian Railway, and 2,200,000 *l.* for advances to Railway Companies and discharge of Debentures under the Oudh and Rohilkhand Railway Purchase Act.

Capital Receipts from and Issues to Railway Companies.

The variations in the transactions of the Railway Companies are shown in the following statement:—

	Budget.	Revised.
RECEIPTS.		
On account of Subscribed Capital:	£.	£.
State:		
Rohilkhand-Kumaon	160,000	—
Guaranteed:		
Bombay Baroda and Central India Railway	700,000	—
Great Indian Peninsula Railway	1,770,100	1,800
Madras Railway	102,300	97,000
On account of Transfer and Miscellaneous Refunds	—	5,700
TOTAL £.	2,732,300	104,500
ISSUES.		
For discharge of Debentures:		
Guaranteed:		
Bombay Baroda and Central India Railway	700,000	468,000
Great Indian Peninsula Railway	1,002,100	333,100
Madras Railway	102,200	97,000
For Stores, Establishment Charges, &c.:		
State:		
Bengal-Nagpur Railway	779,000	172,100
Indian Midland Railway	238,000	166,000
Other Railways	75,000	67,200
Guaranteed:		
Bombay Baroda and Central India Railway	158,000	161,600
Great Indian Peninsula Railway	717,000	565,000
Madras Railway	178,000	154,700
South Indian Railway	96,300	92,900
TOTAL £.	4,045,600	2,277,600

The decrease in the receipts is due (1) to the renewal of a portion of the debentures of the Bombay Baroda and Central India and Great Indian Peninsula Railways, which were expected to be replaced by fresh capital, (2) to a sum of 300,000 *l.* expected from the Great Indian Peninsula Railway Company in 1890-91 having been received in March 1890, and (3) to a portion of the estimated receipts from both the above Companies being postponed to 1891-92.

The decrease in the payments is due mainly to the renewal of the debentures mentioned above, and to the Bengal-Nagpur Railway Company having very largely over-estimated their requirements in March last.

Ways and Means, Home Treasury; 1891-92.

68. The following is the Secretary of State's Budget Estimate of Ways and Means for 1891-92:—

	Budget. 1891-92.
Net Receipts.	£.
Council Bills	16,000,000
Permanent debt, new stock to be issued	2,600,000
Capital Receipts from railway companies	2,715,800
Deposits and advances	4,700
Add Opening Balance	3,532,473
TOTAL £.	24,853,973
Net Outgoings.	
Excess of expenditure over revenue	15,759,500
Capital expenditure of Government in England	1,196,400
Permanent Debt—Discharge of 3½ per cent. Debentures	1,386,000
Permanent Debt—Discharge of Oude and Rohilkhand and South Indian railway debentures	117,100
Issues to railway companies on capital account	2,974,000
On account of remittances from India	1,195,300
Add Closing Balance	2,225,673
TOTAL £.	24,853,973

The Secretary of State proposes to draw 16,000,000 *l.* by Council Bills. He also proposes to raise a loan of 2,600,000 *l.* Of this loan, a sum of 1,386,000 *l.* is required for the repayment of a portion of the India 3½ per cent. debentures which fall due on the 16th of August 1891, the remainder, 1,614,000 *l.*, being renewed as 3½ per cent. debentures; the balance of the loan is required for advances to Railway Companies under the Oudh and Rohilkhand Railway Purchase Act, &c. Of the amounts required for advances to Railway Companies, the sum of 445,000 *l.* is for the discharge of a portion of the Southern Mahratta Railway Company debentures, which fall due on the 1st October 1891; the remainder, 1,000,000 *l.*, will be renewed. It should be understood that, in stating these as the present intentions of the Secretary of State, no pledge is given that he will adhere to the programme announced; the amount to be obtained by bills or raised by loans may be altered from time to time as may seem expedient.

INDIA.

69. The Ways and Means Estimate of India is as follows:—

	1890-91.		1891-92.
	Budget.	Revised.	Budget.
NET RECEIPTS.	Rx.	Rx.	Rx.
1. Excess of revenue in India over the expenditure charged against it	22,998,100	23,209,400	22,041,900
2. Public Loan	—	—	—
3. Increase of Unfunded Debt—mostly savings bank deposits	309,000	539,200	583,000
4. Appropriation from revenue for reduction of debt	524,500	516,400	—
5. Other Items	177,700	420,800	350,800
6. *For remittance to Secretary of State*	1,179,400	784,800	1,214,800
Add Opening Balance	14,596,889	14,748,821	16,797,121
TOTAL	39,786,189	40,219,421	40,987,621
NET OUTGOINGS.			
7. Expenditure charged to Provincial Balances	757,700	312,800	828,400
8. Capital Expenditure of Government in India	2,506,100	2,014,400	1,835,500
9. Loans to Municipalities, &c.	907,000	783,200	1,008,300
10. *Issues on Capital Account to Railway Companies*	887,200	555,200	184,200
11. Council Bills. *Sterling Account*	14,921,900	14,061,600	16,934,400
12. Ditto Exchange	6,712,200	4,795,100	6,626,500
Add Closing Balance	13,094,089	16,797,121	13,570,321
TOTAL	39,786,189	40,219,421	40,987,621

The headings in *italics* are connected with, and explained by, the corresponding figures o the Secretary of State's account in England. The others refer to purely Indian transactions.

70. In accordance with the announcement made in the last Financial Statement, no loan has been issued in India in 1890-91.

Nor is it expected that a loan will be necessary in 1891-92. The large surpluses of 1889-90 and 1890-91, and the provision made in those two years under Famine Insurance for Reduction of Debt, explain the ability of the Government of India to meet its Capital Expenditure without borrowing in either of the two years. Though it is the present intention of the Government not to raise a loan in India in the coming year, full liberty is, as usual, reserved to modify this intention to any extent necessary.

Savings Banks.

71. The following figures show the transactions of the Savings Banks during the last few years:

Year.	Net Additions to Deposits (Cash).	Interest.	Total Net Addition.
	Rx.	Rx.	Rx
1887-88 - - - -	656,300	224,000	880,300
1888-89 - - - -	685,200	261,800	947,000
1889-90 - - - -	—362,900	272,200	—90,700
1890-91, Budget - -	—34,400	288,800	254,400
1890-91, Revised - -	199,400	283,800	483,200
1891-92, Budget - -	229,500	305,100	534,600

As explained in paragraph 65 of Part II. of the last Financial Statement, the net withdrawals in 1889–90 were caused by the reduction to the new maximum limit of existing accounts in excess of that limit. The net deposits expected in the current year show that the effect of that change is exhausted, and that the reduction of the yearly limit is not likely unduly to restrict the deposits, which are again increasing.

Loans to Municipalities and Presidency Corporations.

72. The net amounts estimated for advances to Municipalities, Presidency Corporations, and others, during 1890–91 and 1891–92, are Rx. 783,200 and Rx. 1,008,300. Rx. 330,500 and Rx. 523,600 are the amounts of the advances to be made by Local Governments under the system referred to in paragraph 66 of Part II. of the last Financial Statement; and Rx. 448,600 and Rx. 487,600 are the amounts required by the Calcutta and Bombay Port Trusts for the Kidderpur and Victoria Docks.

The accounts of the advances made to these two Corporations on account of the Docks will stand thus at the end of 1891–92:—

	Calcutta.	Bombay.
	Rx.	Rx.
Up to 1889–90 - - - - - -	1,755,948	868,622
Advanced in 1890–91 - - - -	438,600	10,000
To be advanced in 1891–92 - - - -	467,600	20,000
Total - - -	2,662,148	898,622

73. The closing balance of the current year was estimated in March last at Rx. 13.094,089. It is now expected to be Rx. 16,797,121. In 1891–92 provision is made for the payment of Secretary of State's Bills to the extent of Rx. 16,934,400, and the year is expected to close with a balance of Rx. 13,570,321.

Section VII.—SUMMARY.

74. The principal features in this Statement are:—

(*a.*) The Accounts of 1889–90 have closed with a surplus of Rx. 2,612,033.

(*b.*) The Revised Estimates of 1890–91 show a surplus of Rx. 2,787,100, against a surplus of Rx. 270,400 in the Budget Estimate of the year. The larger portion of the improvement is in consequence of the rise in the rate of Exchange. The rate taken in the Budget Estimate was 1*s.* 4·552*d.*=R.1, while in the Revised Estimate the rate is 1*s.* 6·113*d.* = R.1.

(*c.*) The

(*c.*) The Budget Estimates of 1891–92 show a surplus of Rx. 115,600. The Famine Grant has been raised to Rx. 1,500,000, including the net charge on the revenues on account of the Indian Midland and Bengal-Nagpur Railways, which amounts to Rx. 457,000. The Estimate of net revenue from Opium is reduced to Rx. 5,318,700. Exchange is taken at 1 *s.* 5·25 *d.*=R. 1.

(*d.*) The expenditure on Railways and Irrigation Works (not charged against revenue) is estimated at Rx. 3,489,400 in 1890-91, and at Rx. 3,500,000 in 1891–92, besides Rx. 975,000 charged against the Famine Grant for Protective Railways in the latter year. A capital expenditure of 4,692,600 *l.* has been incurred in 1890–91 on the purchase of the South Indian Railway.

(*e.*) The Secretary of State proposes to sell Council Bills in 1891–92 to the amount of 16,000,000 *l.*, and to raise a sterling loan of 2,600,000 *l.* The loan is for the repayment of 1,386,000 *l.* of the India 3½ per cent. debentures which fall due on the 16th of August 1891, and for advances to certain railway companies. The remainder of the India debentures falling due on that date, 1,614,000 *l.*, will be renewed at 3¼ per cent. These announcements are accompanied by the usual reserve that, though the present intentions of the Secretary of State are as stated, he gives no promise, and reserves entire liberty to vary the amounts to be obtained by bills or raised by loan as he may find occasion.

(*f.*) It has not been necessary to raise any loan in India in 1890–91, and it is not anticipated that any loan will be required in India in 1891–92. The surpluses of 1889–90 and 1890–91 and other receipts enable the Government to meet the capital expenditure not charged to revenue without borrowing. No pledge, however, is given that the Government will not borrow in India during the year.

(*g.*) The financial prospects of the next two years are considered to depend largely on the rate of Exchange and on the amount of Military expenditure.

D. Barbour.

Calcutta, 20 March 1891.

APPENDICES.

APPENDIX I.

The Course of Prices and Wages in 1890.

The tables attached are,—

A 1.—Wholesale prices of staple commodities of international trade at Calcutta, Bombay, Rangoon, and Karachi, for the earliest date in each month from December 1889 to March 1891. The rate of exchange (demand drafts in Calcutta) and the price of bar silver in London for the same period are prefixed to the table.

A 2 is the same table as A 1, but the price in December 1889 is in this table taken to represent 100, and the variations are based on that figure. This table therefore shows the percentage of increase or decrease in silver and the other articles.

Table A 1 has been compiled from returns of Chambers of Commerce, except as regards rice at Rangoon, which is taken from the price-current of a local firm.

B 1. This table gives the retail prices of the three great staples of food—wheat, jowar, and rice—at the larger centres, the prices in which may be taken to indicate the course of prices generally throughout the provinces. It is compiled from the fortnightly returns received from district officers and published regularly in the "Gazette of India." The price of the first half of each month has been taken for the table.

The figures in this table commence from January 1889 instead of December 1889, as in the wholesale table, in order to show that the monthly fluctuations in 1890 are similar to the monthly fluctuations in 1889. Prices in fact fluctuate from month to month in each year in just the same way, except in unusual years when abnormal variations are caused by abnormal variations of the seasons.

B 2 is the same table as B 1, but in this case the prices of December 1889 have been taken to represent 100, and on this basis the percentage of fluctuation is shown from month to month from January 1889 to February 1891.

C 1 is a table of wages for the first and second halves of 1889 and 1890 respectively at eight large stations, the level of wages in which may be taken as representing the course of wages generally. It gives the rate of wages for unskilled (agricultural) labour and skilled labour (mason, carpenter, or blacksmith). This table is extracted from returns received half-yearly from the district officials and published in the "Gazette of India." The table also gives the wages paid at the Government Harness and Saddle Factory at Cawnpore.

C 2 supplements C 1. It contains the wages given in January of each of the two years 1890 and 1891 in various industrial establishments in Bengal, Northern India, and Bombay.

Prices.—From table A 2 it will be seen that both imports and exports have moved in sympathy with the fall and rise in silver, though the percentage of rise and fall has not been exactly the same. The metal was in progressive appreciation from May to September, when depreciation set in.

No such effect on retail prices is apparent in table B 2. In these the fluctuations in 1890 resemble those of 1889, and are similar to those of ordinary years. Adding together the price of the three grains at the different stations (being 100 in December 1889), we have the following variations :—

December	1889	-	1,300
January	1890	-	1,305
February	,,	-	1,291
March	,,	-	1,330
April	,,	-	1,363
May	,,	-	1,383
June	,,	-	1,356
July	,,	-	1,394
August	1890	-	1,407
September	,,	-	1,426
October	,,	-	1,419
November	,,	-	1,410
December	,,	-	1,340
January	1891	-	1,377
February	,,	-	1,378

There is in fact no sort of relation between the variations of silver and of retail prices. These prices manifestly varied with reference to the condition of supplies in the markets and the prospects of crops. They were at their highest when silver was at its highest, and they still remain high, though they have fallen somewhat (as usual) from the high level which accompanies the period of the year when the prospects of the monsoon harvest are still uncertain.

Wages.—Tables C 1 and C 2 show that there has practically been no variation in the level of wages. In a few cases wages have fallen, and in a few others they have risen, but on the whole they have remained stationary.

J. E. O'Conor.

APPENDIX I.

CONTENTS.

		PAGES
TABLE A 1.	Wholesale Prices of Staple Trade Commodities - - - -	54
„ A 2.	Variations in Wholesale Prices of Staple Trade Commodities, taking the Prices of December 1889 as = 100 - - - - -	54
„ B 1.	Retail Prices in the First Half of each Month, in annas per ser - -	56
„ B 2.	Variations in Retail Prices, the Prices of December 1889 being taken as = 100 - - - - - - - - - - - -	56
„ C 1.	Table of Wages—Official Returns - - - - - - - -	58
„	Table of Wages—Non-Official Returns - - - - - - - -	58

A 1.—Wholesale Prices of Staple Trade Commodities

	December 1889.	January 1890.	February.	March.	April	May.
	s. d.	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*
Exchange	1 $4\frac{15}{16}$	1 5	1 $5\frac{7}{16}$	1 $5\frac{7}{32}$	1 $5\frac{3}{32}$	1 $5\frac{11}{16}$
	d.	*d.*	*d.*	*d.*	*d.*	*d.*
Bar Silver in London	$44\frac{3}{8}$	$44\frac{1}{8}$	$44\frac{3}{8}$	$44\frac{1}{4}$	$44\frac{1}{8}$	$46\frac{9}{16}$
Imports.	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*
Copper, Australian - - (Calcutta)	26 4 –	26 8 –	26 8 –	26 8 –	26 4 –	26 6 –
„ Braziers - - (Bombay)	38 13 –	38 10 –	39 4 –	38 12 –	39 4 –	39 4 –
Iron, flat, bolt, and square - (Calcutta)	3 4 –	3 9 –	3 7 –	3 7 –	3 4 –	3 3 –
„ Welsh - - - - (Bombay)	29 – –	29 – –	29 – –	42 – –	40 – –	36 – –
Shirtings, grey (8-9 lb.) - - (Calcutta)	4 8 –	4 8 –	4 6 6	4 6 6	4 6 –	4 6 –
„ (8¼ lb.) - - (Bombay)	5 4 –	5 5 –	5 4 6	5 4 6	5 4 6	5 3 9
Twist, mule (grey yarn) - - (Calcutta)	– 4 9	– 4 9	– 4 9	– 4 10	– 4 10	– 4 9
„ (No. 40) - - (Bombay)	– 10 –	– 10 –	– 10 1½	– 10 1½	– 10 –	– 10 –
„ (Turkey red, No. 40) - - - (Calcutta)	– 14 10½	– 14 10½	– 14 10½	– 14 10½	– 14 10½	– 14 10½
Exports.						
Cotton, Broach - - - (Bombay)	228 – –	232 – –	236 – –	238 – –	242 – –	239 – –
Gunny bags - - - - (Calcutta)	26 – –	26 – –	26 – –	26 – –	26 – –	26 – –
Hides, cow - - - - (Calcutta)	48 – –	49 – –	48 – –	43 – –	39 – –	—
Indigo, mid. to good - - (Calcutta)	200 – –	200 – –	95 – –	—	—	—
Jute, ordinary - - - (Calcutta)	33 – –	33 – –	32 – –	30 – –	30 – –	—
Rice, Ballam - - - - (Calcutta)	3 12 –	3 4 6	3 3 –	3 8 –	3 5 6	3 7 –
„ white - - - - (Rangoon)	276 12 –	255 – –	213 – –	242 8 –	236 4 –	247 8 –
Seeds: linseed, bold - - (Calcutta)	5 2 –	4 14 –	4 14 –	4 11 –	4 9 –	4 11 –
„ „ „ - - (Bombay)	7 2 –	6 12 6	6 8 –	6 6 –	6 7 –	6 9 6
„ rape, brown 3% - - (Calcutta)	4 12 –	4 12 –	4 4 –	4 4 –	4 4 –	4 4 –
„ „ „ Delhi - (Bombay)	8 4 6	7 14 –	7 12 –	7 6 –	7 3 –	7 5 6
Tea, Souchong, fair - - (Calcutta)	– 5 6	– 5 6	– 5 3	– 5 –	– 5 –	—
Wheat, doodhia - - - (Calcutta)	2 13 –	Nom.	Nom.	2 14 –	2 14 –	2 13 –
„ white pessy - - (Bombay)	4 8 –	4 8 6	4 6 –	4 4 6	4 6 –	4 7 –
Wool, Kandahar - - - (Karachi)	27 5 –	27 5 –	25 8 –	26 4 –	25 8 –	25 8 –

A 2.—Variations in Wholesale Prices of Staple Trade

	December 1889.	January 1890.	February.	March.	April.	May.
Exchange	100	100·37	102·95	101·66	100·92	104·43
Bar Silver in London	100	99·4	100·6	99·7	98·9	104·9
Imports.						
Copper, Australian - - (Calcutta)	100	101	101	101	100	101
„ Braziers - - (Bombay)	100	99	101	99	101	101
Iron, flat, bolt, and square - (Calcutta)	100	110	106	106	100	98
„ Welsh - - - - (Bombay)	100	100	100	145	138	124
Shirtings, grey (8-9 lb.) - - (Calcutta)	100	100	98	98	97	97
„ „ (8¼ lb.) - - (Bombay)	100	101	101	101	101	100
Twist, mule (grey yarn) - - (Calcutta)	100	100	100	102	102	100
„ „ (No. 40) - - (Bombay)	100	100	101	101	100	100
„ „ (Turkey red, No. 40) - - - (Calcutta)	100	100	100	100	100	100
Exports.						
Cotton, Broach - - - (Bombay)	100	102	104	104	106	105
Gunny bags - - - - (Calcutta)	100	100	100	100	100	100
Hides, cow - - - - (Calcutta)	100	102	100	90	81	—
Indigo, mid. to good - - (Calcutta)	100	100	97	—	—	—
Jute, ordinary - - - (Calcutta)	100	100	97	91	91	—
Rice, Ballam - - - - (Calcutta)	100	88	85	93	89	92
„ white - - - - (Rangoon)	100	92	77	88	85	89
Seeds: linseed, bold - - (Calcutta)	100	95	95	91	89	91
„ „ „ - - (Bombay)	100	95	91	89	90	92
„ rape, brown 3% - - (Calcutta)	100	100	89	89	89	89
„ „ „ Delhi - (Bombay)	100	95	94	89	87	89
Tea, Souchong, fair - - (Calcutta)	100	100	95	91	91	—
Wheat, doodhia - - - (Calcutta)	100	—	—	102	102	100
„ white, pessy - - (Bombay)	100	101	97	95	97	98
Wool, Kandahar - - - (Karachi)	100	100	93	96	93	93

A 1.—Wholesale Prices of Staple Trade Commodities.

June.	July.	August.	September.	October.	November.	December.	January 1891.	February.	March.
s. d.	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*
1 $5\frac{23}{32}$	1 $6\frac{9}{32}$	1 $7\frac{1}{2}$	1 $8\frac{5}{8}$	1 $6\frac{11}{16}$	1 $6\frac{7}{16}$ to 1 $6\frac{1}{2}$	1 $6\frac{1}{8}$	1 $6\frac{1}{2}$	1 $5\frac{11}{16}$	1 $5\frac{1}{16}$
d.	*d.*	*d.*	*d.*	*d.*	*d.*	*d.*	*d.*	*d.*	*d.*
$46\frac{1}{4}$	$47\frac{9}{16}$	$51\frac{1}{4}$	$54\frac{1}{8}$	$51\frac{1}{2}$	$48\frac{1}{2}$	$48\frac{3}{4}$	$48\frac{1}{4}$	$46\frac{1}{8}$	$44\frac{1}{8}$
Rs. a. p.	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*
27 8 -	31 - -	32 - -	30 - -	28 4	29 - -	28 12 -	28 12 -	29 - -	29 - -
39 12 -	41 12 -	39 6	38 8 -	41 4	42 6 -	42 - -	41 14 -	42 6 -	43 14 -
3 - -	3 1	2 14 -	2 10 -	2 13 -	2 14 -	3 -	2 13 -	2 12	3 2 -
33 - -	31 -	27 - -	25 - -	27 - -	28 -	28 -	27 -	26 - -	29 - -
4 5 -	4 5 -	4 - -	4 - -	4 - -	4 5 -	4 7 -	4 6 -	4 6 -	5 2 -
5 3 9	5 3 -	5 1 9	4 12 -	4 12 -	4 12 6	4 14 6	4 14	4 12 -	4 12 6
- 4 9	- 4 8	4 $6\frac{1}{2}$	- 4 1	- 4 $3\frac{1}{2}$	- 4 8	4 8	- 4 6	- 4 6	- 4 9
- 9 $10\frac{1}{2}$	- 9 $10\frac{1}{2}$	- 9 10	- 8 10	8 9	- 8 9	- 8 9	- 8 $8\frac{1}{2}$	- 8 7	- 8 7
- 14 $7\frac{1}{2}$	- 14 $7\frac{1}{2}$	14 $4\frac{1}{2}$	- 14 6	- 14 6	- 14 6	- 14 6	14 6	- 14 6	0 14 6
224 - -	215 - -	204 - -	203 -	207 - -	208 -	210 - -	208 - -	201 -	200 - -
24 - -	23 12	22 - -	23 - -	20 4 -	18 8 -	18 8 -	20 8	21 - -	24 8 -
—	—	—	—	—	—	45 - -	44 -	43 -	44 - -
—	—	—	—	—	—	235	225 -	225 - -	—
32 - -	30 - -	24 8 -	23 8 -	23 - -	22 8 -	20 - -	20 8	21 -	22 8 -
3 7 6	3 7 6	3 6 -	3 6 6	3 6 6	3 9 -	3 8 -	3 - 6	3 1	3 1 -
265 - -	285 - -	250 - -	230 - -	210 - -	238 12 -	230 - -	232 8 6	242 8 -	252 8 -
4 12 6	4 13 -	4 4 -	4 9 -	4 9 6	4 9 -	4 8	4 5 6	4 7 -	4 7 6
6 14 -	6 10 -	6 4 -	6 5 -	6 5	6 8 -	6 5 -	6 4 6	6 3 6	6 6 -
4 6 -	4 5 -	4 2 -	4 2 -	4 2 -	4 -	3 14 -	3 15 -	3 15 -	4 6 -
7 9 -	6 11 -	6 2 -	6 7 -	6 12 -	6 5 -	5 14 -	5 15 -	5 14 -	6 14 -
- 6 3	- 6 6	- 5 3	4 6	- 4 9	- 4 9	- 5 3	- 5 6	- 6 6	- 6 6
2 12 6	2 13 -	2 11 -	2 13 -	2 13 6	2 13 6	2 13 6	2 15 -	3 2 -	3 1 -
4 6 -	4 6 -	4 6 6	4 5 6	4 6 6	4 10 -	4 9 6	4 9 9	4 9 3	4 12 6
25 8 -	25 12 -	23 - -	23 - -	23 - -	21 8 -	22 8 -	23 4 -	22 8 -	26 8 -

Commodities, taking the Prices of December 1889 as = 100.

June.	July.	August.	September.	October.	November.	December.	January 1891.	February.	March.
104·61	107·93	115·13	121·77	110·33	109·03	109·96	109·23	105·35	100·74
104·2	107·1	115·5	122·8	116·1	109·3	109·9	108·7	104·9	100·6
105	118	121	114	108	110	109	109	110	110
102	108	101	90	106	109	108	108	109	113
92	94	88	81	87	88	92	87	85	96
114	107	93	86	93	97	97	93	90	100
96	96	89	89	89	96	99	97	97	114
99	99	97	90	90	91	93	93	90	91
100	98	96	86	90	98	98	95	95	100
99	99	98	88	87	87	87	87	86	86
98	98	97	97	97	97	97	97	97	97
98	94	89	89	91	91	92	91	88	88
92	91	85	88	78	71	71	79	81	94
—	—	—	—	—	—	94	92	90	92
—	—	—	—	—	—	117	112	112	—
97	91	74	71	70	68	61	62	64	68
93	93	90	91	91	95	93	81	82	82
96	103	90	83	76	86	83	84	88	91
93	94	83	89	90	89	88	85	87	87
96	93	86	89	89	91	89	88	87	89
92	91	87	87	87	84	82	83	83	92
91	81	74	78	82	76	71	72	71	83
114	118	95	82	86	86	95	100	118	118
99	100	96	100	101	101	101	104	111	109
97	97	98	97	98	103	102	102	102	106
93	94	84	84	84	79	82	85	82	97

B 1.—Retail Prices in the First Half of

		1889.										
		Jan.	Feb.	Mar.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.
Wheat	Bombay	1·67	1·78	1·69	1·67	1·63	1·60	1·60	1·56	1·57	1·60	1·52
	Karachi	1·39	1·33	1·33	1·39	1·33	1·39	1·33	1·39	1·33	1·33	1·33
	Cawnpore	1·08	0·97	0·80	0·91	0·94	1·02	1·02	0·96	0·97	1·00	0·97
	Delhi	1·07	1·00	0·84	0·89	0·89	0·94	0·94	0·94	0·89	0·94	0·94
	Jabalpur	1·22	1·07	1·05	1·14	1·05	1·02	1·07	1·03	0·98	1·00	1·03
Jowar	Cawnpore	0·88	0·76	0·65	0·60	0·70	0·84	0·84	0·64	0·59	0·57	0·64
	Delhi	0·80	0·72	0·64	0·60	0·60	0·80	0·76	0·70	0·60	0·60	0·60
	Jabalpur	0·94	0·89	0·80	0·80	0·98	1·00	0·98	1·00	1·05	0·97	0·94
	Salem	0·64	0·65	0·64	0·64	0·62	0·62	0·62	0·59	0·55	0·58	0·55
Rice	Calcutta	1·09	1·08	1·09	1·12	1·24	1·27	1·27	1·18	1·22	1·24	1·25
	Patna	1·03	0·97	0·97	1·12	1·18	1·18	1·21	1·18	1·06	1·14	0·97
	Madras	1·19	1·19	1·19	1·19	1·19	1·25	1·24	1·25	1·24	1·27	1·33
	Rangoon	1·44	1·22	1·22	1·22	1·22	1·22	1·22	1·29	1·31	1·44	1·44

B 2.—Variations in Retail Prices, the Prices of

		1889.										
		Jan.	Feb.	Mar.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.
Wheat	Bombay	108	115	109	108	105	103	103	101	101	103	98
	Karachi	100	96	96	100	96	100	96	100	96	96	96
	Cawnpore	111	100	82	94	97	105	105	99	100	103	100
	Delhi	114	106	89	95	95	100	100	100	95	100	100
	Jabalpur	116	102	100	109	100	97	102	98	93	95	98
Jowar	Cawnpore	135	117	100	92	107	130	130	98	91	88	98
	Delhi	105	95	84	79	79	105	100	92	79	79	79
	Jabalpur	129	122	110	110	135	137	135	137	144	133	129
	Salem	103	105	103	103	100	100	100	95	89	94	89
Rice	Calcutta	91	90	91	93	103	106	106	98	102	103	104
	Patna	118	111	111	129	136	136	139	136	122	131	111
	Madras	80	80	80	80	80	84	84	84	84	86	90
	Rangoon	100	85	85	85	85	85	85	90	91	100	100

each Month, in annas per ser.

	1890.												1891.	
Dec.	Jan.	Feb.	Mar.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1·55	1·54	1·45	1·55	1·54	1·6	1·51	1·47	1·5	1·5	1·59	1·59	1·56	1·52	1·46
1·39	1·39	1·39	1·39	1·45	1·45	1·33	1·33	1·33	1·23	1·23	1·28	1·33	1·33	1·33
0·97	0·98	1·02	1·03	0·97	1·02	1·02	1·03	1	1·18	1·06	1·08	1·08	1·08	1·10
0·94	0·94	0·94	1	1	0·94	0·94	1	0·94	1	1	1	1	1·06	1·14
1·05	1	1·03	1·02	1	0·98	0·97	1	1·02	1	0·98	1·02	0·97	1·05	1·07
0·65	0·65	0·68	0·71	0·74	0·84	0·80	0·84	0·89	0·89	0·94	0·91	0·89	0·94	0·89
0·76	0·73	0·73	0·80	0·89	0·89	0·94	0·89	0·80	0·80	0·80	0 84	0·80	0·80	0·84
0·73	0·74	0·78	0·84	0·89	0·89	0·89	0·97	0·97	1	1·03	0·94	0·69	0 70	0·80
0·62	0·70	0·65	0·75	0·72	0·69	0·62	0·69	0·72	0·72	0·72	0·71	0·72	0·75	0·75
1·20	1·19	1·15	1·15	1·18	1·21	1·24	1·23	1·19	1·25	1·26	1·21	1·12	1·10	1·10
0·87	0·89	0·85	0·82	0·91	0·95	0·93	0·97	1·02	1·05	0·97	0·94	0·82	0·94	0·84
1·48	1·47	1·43	1·44	1·41	1·37	1·35	1·38	1·45	1·45	1·44	1·45	1·48	1·48	1·50
1·44	1·44	1·29	1·21	1·33	1·38	1·38	1·44	1·57	1·44	1·44	1·44	1·36	1·33	1·19

December 1889 being taken as = 100.

	1890.												1891.	
Dec.	Jan.	Feb.	Mar.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
100	99	94	100	99	103	97	95	97	97	103	103	101	98	94
100	100	100	100	104	104	96	96	96	88	88	92	96	96	96
100	101	105	106	100	105	105	106	103	122	109	111	111	111	113
100	100	100	106	106	106	100	106	100	106	106	106	106	113	121
100	95	98	97	95	93	92	95	97	95	93	97	92	100	102
100	100	105	109	114	129	123	129	137	137	145	140	137	145	137
100	96	96	105	117	117	124	117	105	105	105	111	105	105	111
100	101	107	115	122	122	122	133	133	137	141	129	95	96	110
100	113	105	121	116	111	100	111	116	116	116	114	116	121	121
100	99	96	96	98	101	103	102	99	104	105	101	93	92	92
100	102	98	94	105	109	107	111	117	121	111	108	94	108	97
100	99	97	97	95	93	91	93	98	98	97	98	100	100	101
100	100	90	84	92	96	96	100	109	100	100	100	94	92	83

C 1.—Table of Wages.

Official Returns.

—	Unskilled Labour—Able-bodied Agricultural Labour.				Skilled Labour—Common Mason, Carpenter, or Blacksmith.			
	1889.		1890.		1889.		1890.	
	First Half of the Year.	Second Half of the Year.	First Half of the Year.	Second Half of the Year.	First Half of the Year.	Second Half of the Year.	First Half of the Year.	Second Half of the Year.
	Rs. a. p.	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*
Calcutta - -	- - -	- - -	- - -	- - -	15 - -	15 - -	15 - -	15 - -
Bombay - -	11 - -	11 - -	11 - -	11 - -	32-8 to 48-5	31-1 to 46-10	27-8 to 42-8	27-8 to 42-6
Karachi - -	12 to 20	12 to 20	12 to 20	12 to 20	30 to 40	30 to 40	30 to 35	30 to 40
Cawnpore -	4 - -	4 - -	4 - -	4 - -	10 - -	10 - -	10 - -	10 - -
Delhi - -	5 10 -	5 10 -	5 10 -	5 10 -	11 14 -	12 3 -	11 14 -	12 3 -
Jabalpur -	3 to 4	3 to 4	3 to 4	3 to 4	10 to 15	10 to 15	7-8 to 12-0	8 to 12
Salem - -	3 10 8	3 10 8	3 10 8	3 10 8	12 13 4	12 13 4	13 2 8	13 2 8
Rangoon -	15 - -	15 - -	10 to 12	10 to 12	30 - -	30 - -	30 to 45	30 to 45

	1890.	1891.
	Rs. a. p.	*Rs. a. p.*
The Harness and Saddlery Factory, Cawnpore - - - - -	12 - -	12 - -
	10 - -	10 - -
	7 - -	7 - -
	6 - -	6 - -
	25 - -	25 - -
	12 - -	12 - -
	10 - -	10 - -
	10 - -	10 - -
	12 - -	12 - -
	12 - -	12 - -
	9 - -	9 - -
	7 - -	7 - -
	5 - -	5 - -
	10 - -	10 - -
	9 - -	9 - -
	7 - -	7 - -
	10 - -	10 - -
	8 - -	8 - -
	6 - -	6 - -
	5 - -	5 - -
	6 - -	6 - -
	5 - -	5 - -

C 2.—Table of Wages.

Non-Official Returns.

	1890.	1891.
	Rs. a. p.	*Rs. a. p.*
Bengal.		
1. A Paper Mill - - - - - - - - - - -	6 8 -	6 8 -
	7 - -	7 - -
	3 4 -	3 4 -
	4 8 -	4 8 -
	14 - -	14 - -
	16 - -	16 - -
	13 - -	13 - -
	16 - -	16 - -
	8 - -	8 - -

C 2.—TABLE OF WAGES.—Non-Official Returns—*continued.*

	1890.	1891.
	Rs. a. p.	*Rs. a. p.*
	5½ to 6	5½ to 6
	6½ to 7 and 9	6½ to 7 and 9
	5½ to 6	5½ to 6
	9 to 10	9 to 10
BENGAL—*continued.*	5½ to 6	5½ to 6
2. A coal company	– 8 –	– 8 –
	5½ to 6	5½ to 6
	8 to 10	8 to 10
	5½ to 6	5½ to 6
	– 9 –	– 9 –
	7 to 8	7 to 8
	8 to 11	8 to 11
3. Another coal company	4 2·62	– 4 1·05
	7 6 1·36	7 2 5·4
	5 8 –	5 8 –
	5 8 –	5 8 –
NORTHERN INDIA.	3 – –	2 12 –
1. A cotton mill	6 4 –	6 – –
	2 8 –	3 – –
	4 12 –	4 12 –
	3 – –	3 – –
	6 8 –	5 8 –
	3 8 –	2 8 –
	20 – –	20 – –
	14 11 1	15 – –
	15 – –	15 – –
2. The Murree Brewery	13 8 –	14 – –
	6 – –	6 – –
	6 8 –	6 – –
	8 – –	8 – –
	6 8 –	6 8 –
	10 to 12	10 to 12
	14 to 15	14 to 15
	– 8 –	– 8 –
	– 9 –	– 9
	– 6 –	– 6 –
	– 7 –	– 7 –
	14 to 16	13 to 16
	15 to 17	15 to 17
	15 to 18	15 to 18
	15 to 20	15 to 18
	– 10 –	– 10 –
	– 6 –	– 6 –
	20 to 24	24 to 24
	12 to 15	12 to 15
	10 to 13	10 to 13
BOMBAY.	6 to 7½	6 to 7½
The Manockjee Petit Mills	– 6½ –	– 6½ –
	7 to 12	7 to 12
	9 to 9½	9 to 9½
	– 6 –	– 6 –
	– 7½ –	– 7½ –
	– 9 –	– 9 –
	7 to 9	7 to 8
	12 to 15	13 to 14
	10 to 13	10 to 11
	6 to 8	5 to 10
	11 to 14	10 to 15
	15 to 20	12 to 20
	25 to 38	26 to 36
	14 to 15	14 to 15
	14 to 22	7 to 20
	– 5 –	– 5 –
	14 to 25	14 to 25
	35 to 45	35 to 45
	10 to 13	10 to 13

APPENDIX II.

ACCOUNTS AND ESTIMATES.

ACCOUNTS - - - - -	1889-90.
REVISED ESTIMATES - - -	1890-91.
BUDGET ESTIMATES - - -	1891-92.

CONTENTS.

	PAGES
General Statement of the Accounts and Estimates of the Revenue and Expenditure, and Receipts and Disbursements, of the Government of India, in India and in England - - - - - - - - - - - - - - -	62
A.—Statement of the Revenue of India, in India and in England - - - - -	64
B.—Statement of the Expenditure chargeable on the Revenues of India, in India and in England - - - - - - - - - - - - - -	66
C.—Statement of Receipts and Disbursements of the Government of India, in India and in England - - - - - - - - - - - - - -	70
D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Contracts - -	72
E.—Statement of Net Revenue and Expenditure, India and England - - -	74

GENERAL STATEMENT of the ACCOUNTS and ESTIMATES of the GOVERNMENT OF INDIA,

	For Detail, *vide* Statement	RECEIPTS.			
		Accounts, 1889-90.	Budget Estimate, 1890-91.	Revised Estimate, 1890-91.	Budget Estimate, 1891-92.
REVENUE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Principal Heads of Revenue:					
Land Revenue	-	23,981,399	23,874,400	23,914,600	24,399,300
Opium	-	8,583,056	8,203,300	7,875,000	7,593,400
Salt	-	8,187,739	8,233,500	8,453,200	8,343,500
Stamps	-	4,087,908	4,034,900	4,096,100	4,148,200
Excise	-	4,891,894	4,844,500	4,923,700	4,953,700
Other Heads	A.	9,129,817	9,005,300	9,383,900	9,488,100
TOTAL, PRINCIPAL HEADS	"	58,861,813	58,195,900	58,646,500	58,926,200
Interest	"	873,201	789,900	925,800	806,400
Post Office, Telegraph, and Mint	"	2,337,624	2,423,400	2,589,500	2,469,700
Receipts by Civil Departments	"	1,556,372	1,521,500	1,607,600	1,571,300
Miscellaneous	"	1,264,409	1,243,000	920,600	821,400
Railways	"	16,605,601	17,151,400	17,007,600	17,872,400
Irrigation	"	1,991,078	2,035,000	2,171,200	2,160,600
Buildings and Roads	"	650,398	589,400	637,700	597,100
Receipts by Military Departments	"	944,707	982,600	857,000	800,200
TOTAL REVENUE	-	**85,085,203**	**84,932,100**	**85,313,500**	**86,025,300**
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net incurred)	C.	5,129,018	6,359,000	6,290,300	1,091,400
Unfunded Debt (net incurred)	"	—	309,600	539,200	583,000
Deposits and Advances (net)	"	1,049,671	710,200	854,100	—
Remittances (net)	"	—	—	373,300	19,500
Secretary of State's Bills drawn	"	15,474,496	14,989,000	15,989,000	16,000,000
TOTAL RECEIPTS	-	106,738,388	107,299,900	109,359,400	103,719,200
Balance on 1st April—India	-	13,305,189	14,596,889	14,748,821	16,797,121
England	-	3,259,933	4,503,833	5,402,873	3,532,473
GRAND TOTAL	-	123,303,510	126,400,622	129,511,094	124,048,794

Fort William, Finance and Commerce Department,
20 March 1891.

R. N. Ray,
Officiating Deputy Comptroller General.

REVENUE and EXPENDITURE, and RECEIPTS and DISBURSEMENTS, of the in INDIA and in ENGLAND.

	For Detail, *vide* Statement	DISBURSEMENTS. Accounts, 1889-90.	Budget Estimate, 1890-91.	Revised Estimate, 1890-91.	Budget Estimate, 1891-92.
EXPENDITURE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Direct Demands on the Revenues	B.	8,909,651	9,775,500	9,621,600	10,035,400
Interest	„	4,240,963	4,296,300	4,164,700	3,807,200
Post Office, Telegraph, and Mint	„	2,228,504	2,328,600	2,307,800	2,368,100
Salaries and Expenses of Civil Departments	„	13,235,406	13,596,800	13,397,200	13,976,500
Miscellaneous Civil Charges	„	4,814,283	4,945,400	4,718,800	4,972,900
Famine Relief and Insurance	„	600,000	600,000	600,000	1,043,000
Construction of Railways (charged against Revenue, in addition to that under Famine Insurance)	„	4,974	4,800	9,100	210,500
Railway Revenue Account	„	18,458,202	19,017,900	18,014,400	19,374,100
Irrigation	„	2,652,707	2,739,400	2,762,800	2,883,100
Buildings and Roads	„	5,412,189	5,717,300	5,822,000	6,109,100
Army Services	„	20,677,814	21,505,100	20,897,500	21,051,200
Special Defence Works	–	689,481	892,300	523,300	847,000
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL	–	81,924,174	85,419,400	82,839,200	86,738,100
Add,—Provincial Surpluses, that is, portion of Allotments to Provincial Governments not spent by them in the year	End of B.	+ 562,198	+ 7,700	+ 104,800	—
Deduct,—Provincial Deficits, that is, portion of Provincial Expenditure defrayed from Provincial Balances	„	— 13,202	— 765,400	— 417,600	— 828,400
TOTAL EXPENDITURE charged against REVENUE	–	**82,473,170**	**84,661,700**	**82,526,400**	**85,909,700**
EXPENDITURE NOT CHARGED TO REVENUE:					
Capital Outlay on Railways and Irrigation Works	End of B.	3,173,390	3,750,000	3,489,400	3,500,000
Capital Charge involved in Redemption of Liabilities	–	—	4,695,000	4,692,600	—
DEBT, DEPOSITS, AND ADVANCES:					
Unfunded Debt	C.	69,616	—	—	—
Deposits and Advances (net)	„	—	—	—	459,000
Loans to Native States and Presidency Corporations, &c. (net Advances)	„	355,905	537,000	452,700	484,700
Loans and Advances by Provincial Governments	„	242,249	370,000	330,500	523,600
Capital of Railway Companies (net Payments)	„	1,215,592	2,200,500	2,728,300	441,400
Remittances (net)	„	18,897	18,000	—	—
Secretary of State's Bills paid	„	15,602,997	14,921,900	14,961,600	16,934,400
TOTAL DISBURSEMENTS	–	103,151,816	111,154,100	109,181,500	108,252,800
Balance on 31st March—India	–	14,748,821	13,094,089	16,797,121	13,570,321
England	–	5,402,873	2,152,433	3,532,473	2,225,673
GRAND TOTAL	–	123,303,510	126,400,622	129,511,094	124,048,794
Revenue		85,085,203	84,932,100	85,313,500	86,025,300
Expenditure chargeable thereon		82,473,170	84,661,700	82,526,400	85,909,700
Surplus		2,612,033	270,400	2,787,100	115,600

Stephen Jacob,
Officiating Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

HEADS OF REVENUE.	ACCOUNTS, 1889-90.					REVISED	
	India.		England.	Exchange.* 1 *s.* 4·566 *d.*	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
PRINCIPAL HEADS OF REVENUE:	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—Land Revenue	14,850,880	9,130,519	-	-	23,981,399	15,345,100	8,569,500
II.—Opium	8,583,056	-	-	-	8,583,056	7,875,000	-
III.—Salt	8,152,136	35,603	-	-	8,187,739	8,414,000	39,200
IV.—Stamps	1,194,054	2,893,854	-	-	4,087,908	1,199,700	2,896,400
V.—Excise	3,660,706	1,231,188	-	-	4,891,894	3,682,800	1,240,900
VI.—Provincial Rates	575	3,409,480	-	-	3,410,055	600	3,474,800
VII.—Customs	1,490,493	16,193	-	-	1,506,686	1,706,900	15,600
VIII.—Assessed Taxes	914,873	680,401	-	-	1,595,274	917,500	686,000
IX.—Forest	769,905	716,398	-	-	1,486,303	732,900	718,300
X.—Registration	177,986	175,806	-	-	353,792	185,800	183,300
XI.—Tributes from Native States	777,707	-	-	-	777,707	762,200	-
Total	40,572,371	18,289,442	-	-	**58,861,813**	40,822,500	17,824,000
XII.—Interest	589,248	87,455	135,633	60,865	**873,201**	603,600	102,300
POST OFFICE, TELEGRAPH, AND MINT:							
XIII.—Post Office	1,294,751	6,496	-	-	1,301,247	1,387,300	6,500
XIV.—Telegraph	742,408	406	16,601	7,450	766,865	762,500	300
XV.—Mint	269,512	-	-	-	269,512	364,000	-
Total	2,306,671	6,902	16,601	7,450	**2,337,624**	2,513,800	6,800
RECEIPTS BY CIVIL DEPARTMENTS:							
XVI.—Law and Justice { Courts	22,809	330,995	-	-	353,804	19,900	329,700
XVI.—Law and Justice { Jails	42,737	246,876	-	-	289,613	37,100	261,700
XVII.—Police	26,959	339,479	-	-	366,438	20,100	350,800
XVIII.—Marine	86,505	115,965	-	-	202,470	79,700	122,800
XIX.—Education	1,504	200,044	-	-	201,548	1,200	200,500
XX.—Medical	485	54,337	2,701	1,212	58,735	500	58,900
XXI.—Scientific and other Minor Departments.	9,769	73,287	489	219	83,764	6,500	72,800
Total	190,768	1,360,983	3,190	1,431	**1,556,372**	165,000	1,397,200
MISCELLANEOUS:							
XXII.—Receipts in aid of Superannuation, &c.	184,506	38,922	104,363	46,833	374,624	172,000	55,600
XXIII.—Stationery and Printing	27,184	43,326	-	-	70,510	22,900	44,000
XXIV.—Exchange	386,744	-	-	-	386,744	130,000	-
XXV.—Miscellaneous	129,492	296,640	4,417	1,982	432,531	71,400	284,700
Total,	727,926	378,888	108,780	48,815	**1,264,409**	396,300	384,300
RAILWAYS:							
XXVI.—State Railways (Gross Receipts)	11,728,444	1,659,087	230	103	13,387,864	11,680,800	1,923,700
XXVII.—Guaranteed Companies (Net Traffic Receipts).	3,168,634	-	-	-	3,168,634	3,367,900	-
XXVIII.—Subsidised Companies (Repayment of Advances of Interest).	49,012	-	63	28	49,103	34,000	-
Total	14,946,090	1,659,087	293	131	**16,605,601**	15,082,700	1,923,700
IRRIGATION:							
XXIX.—Major Works: Direct Receipts	527,926	604,658	-	-	1,132,584	596,100	675,400
Portion of Land Revenue due to Irrigation.	689,766	-	-	-	689,766	720,900	-
XXX.—Minor Works and Navigation	37,174	131,554	-	-	168,728	36,900	141,900
Total	1,254,366	736,212	-	-	**1,991,078**	1,953,900	817,300
BUILDINGS AND ROADS:							
XXXI.—Military Works	43,519	-	-	-	43,519	43,600	-
XXXII.—Civil Works	50,295	518,667	26,172	11,745	606,879	20,700	541,600
Total	93,814	518,667	26,172	11,745	**650,398**	64,300	541,600
RECEIPTS BY MILITARY DEPARTMENTS:							
XXXIII.—Army: Effective	826,804	-	36,466	16,364	879,634	748,300	-
Non-effective	52,566	-	8,633	3,874	65,073	51,700	-
Total	879,370	-	45,099	20,238	**944,707**	800,000	-
TOTAL REVENUES	61,561,124	23,037,636	335,768	150,675	**85,085,203**	61,802,100	22,997,200

*The columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England, Exchange thereon calculated in accordance with the average rate obtained for Bills and Telegraphic Transfers sold during the year.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1890-91.			Increase + Decrease — of Revised, as compared with Budget Estimates, 1890-91.	BUDGET ESTIMATE, 1891-92.					Increase + Decrease — of Budget, 1891-92, as compared with Budget, 1890-91.	Increase + Decrease — of Budget, 1891-92, as compared with Revised Estimate, 1890-91.
				India.						
England.	Exchange.* 1 s. 6·113 d.	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.* 1 s. 5·25 d.	TOTAL.		
£.	Rx.	Rx.	Rx.	Rx.	Rx.	£.	Rx.	Rx.	Rx.	Rx.
- -	- -	23,914,600	+ 46,200	15,078,300	9,321,000	- -	- -	24,399,300	+ 524,900	+ 484,700
- -	- -	7,875,000	— 328,300	7,593,400	- -	- -	- -	7,593,400	— 609,900	— 281,600
- -	- -	8,453,200	+ 219,700	8,308,100	35,400	- -	- -	8,343,500	+ 110,000	— 109,700
- -	- -	4,096,100	+ 61,200	1,218,500	2,929,700	- -	- -	4,148,200	+ 113,300	+ 52,100
- -	- -	4,923,700	+ 79,200	3,706,200	1,247,500	- -	- -	4,953,700	+ 109,200	+ 30,000
- -	- -	3,475,400	+ 126,000	600	3,530,300	- -	- -	3,530,900	+ 181,500	+ 55,500
- -	- -	1,722,500	+ 161,400	1,685,400	15,500	- -	- -	1,700,900	+ 139,800	— 21,600
- -	- -	1,603,500	+ 44,800	921,900	688,400	- -	- -	1,610,300	+ 51,600	+ 6,800
- -	- -	1,451,200	+ 36,800	770,200	740,900	- -	- -	1,511,100	+ 96,700	+ 59,900
- -	- -	369,100	+ 23,600	186,200	183,700	- -	- -	369,900	+ 24,400	+ 800
- -	- -	762,200	— 14,000	765,000	- -	- -	- -	765,000	— 11,200	+ 2,800
- -	- -	**58,646,500**	+ 450,600	40,233,800	18,692,400	- -	- -	**58,926,200**	+ 730,300	+ 279,700
166,000	53,900	**925,800**	+ 135,900	650,700	114,000	30,000	11,700	**806,400**	+ 16,500	— 119,400
- -	- -	1,393,800	+ 7,600	1,417,200	6,700	- -	- -	1,423,900	+ 37,700	+ 30,100
14,300	4,600	781,700	— 11,500	754,700	300	17,600	6,900	779,500	— 13,700	— 2,200
- -	- -	364,000	+ 120,000	266,300	- -	- -	- -	266,300	+ 22,300	— 97,700
14,300	4,600	**2,539,500**	+ 116,100	2,438,200	7,000	17,600	6,900	**2,469,700**	+ 46,300	— 69,800
- -	- -	349,600	+ 7,800	22,900	330,900	- -	- -	353,800	+ 12,000	+ 4,200
- -	- -	298,800	+ 9,500	40,500	280,500	- -	- -	321,000	+ 31,700	+ 22,200
- -	- -	370,900	+ 12,800	18,200	338,800	- -	- -	357,000	— 1,100	— 13,900
- -	- -	202,500	+ 10,100	78,500	120,600	- -	- -	199,100	+ 6,700	— 3,400
- -	- -	201,700	— 2,700	1,300	202,300	- -	- -	203,600	— 800	+ 1,900
33,600	10,900	103,900	+ 42,400	500	59,700	2,400	900	63,500	+ 2,000	— 40,400
700	200	80,200	+ 6,200	4,700	68,000	400	200	73,300	— 700	— 6,900
34,300	11,100	**1,607,600**	+ 86,100	166,600	1,400,800	2,800	1,100	**1,571,300**	+ 49,800	— 36,300
101,100	32,900	361,600	— 1,300	165,700	47,700	98,300	38,500	350,200	— 12,700	— 11,400
- -	- -	66,900	— 5,900	21,900	47,400	- -	- -	69,300	— 3,500	+ 2,400
- -	- -	130,000	— 313,500	41,400	- -	- -	- -	41,400	— 402,100	— 88,600
4,500	1,500	362,100	— 1,700	69,500	287,500	2,500	1,000	360,500	— 3,300	— 1,600
105,600	34,400	**920,600**	— 322,400	298,500	382,600	100,800	39,500	**821,400**	— 421,600	— 99,200
200	100	13,604,800	— 172,500	12,653,300	2,006,400	200	100	14,660,000	+ 882,700	+ 1,055,200
- -	- -	3,367,900	+ 25,900	3,180,000	- -	- -	- -	3,180,000	— 162,000	— 187,900
700	200	34,900	+ 2,800	32,400	- -	- -	- -	32,400	+ 300	— 2,500
900	300	**17,007,600**	— 143,800	15,865,700	2,006,400	200	100	**17,872,400**	+ 721,000	+ 864,800
- -	- -	1,271,500	+ 97,600	589,000	634,700	- -	- -	1,223,700	+ 49,800	— 47,800
- -	- -	720,900	+ 32,800	756,200	- -	- -	- -	756,200	+ 68,100	+ 35,300
- -	- -	178,800	+ 5,800	39,700	141,000	- -	- -	180,700	+ 7,700	+ 1,900
- -	- -	**2,171,200**	+ 136,200	1,384,900	775,700	- -	- -	**2,160,600**	+ 125,600	— 10,600
- -	- -	43,600	+ 5,600	43,500	- -	- -	- -	43,500	+ 5,500	— 100
24,000	7,800	594,100	+ 42,700	10,500	508,200	25,100	9,800	553,600	+ 2,200	— 40,500
24,000	7,800	**637,700**	+ 48,300	54,000	508,200	25,100	9,800	**597,100**	+ 7,700	— 40,600
35,600	11,600	795,500	— 113,200	688,500	- -	27,100	10,600	726,200	— 182,500	— 69,300
7,400	2,400	61,500	— 12,400	61,500	- -	9,000	3,500	74,000	+ 100	+ 12,500
43,000	14,000	**857,000**	— 125,600	750,000	- -	36,100	14,100	**800,200**	— 182,400	— 56,800
388,100	126,100	**85,313,500**	+ 381,400	61,842,400	23,887,100	212,600	83,200	**86,025,300**	+ 1,093,200	+ 711,800

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1889-90.					REVISED	
	India.		England.	Exchange.† 1 s. 4·566 d.	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
DIRECT DEMANDS ON THE REVENUES:	*Rx.*	*Rx.*	*£.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
1.—Refunds and Drawbacks	168,602	72,373	-	-	240,975	163,100	69,800
2.—Assignments and Compensations	569,193	975,255	-	-	1,544,448	569,100	948,100
Charges in respect of Collection, viz.:							
3.—Land Revenue	296,891	3,326,741	388	174	3,624,194	349,700	3,353,700
4.—Opium (including Cost of Production)	1,603,596	-	1,043	468	1,605,107	2,193,900	-
5.—Salt (including Cost of Production)	407,009	5,453	210	94	412,766	417,800	19,200
6.—Stamps	— 10,481	96,322	33,499	15,033	134,373	— 11,000	96,600
7.—Excise	116,523	40,006	145	65	156,739	131,900	44,800
8.—Provincial Rates	-	55,075	-	-	55,075	-	51,490
9.—Customs	48,616	86,377	19	9	135,021	48,700	87,900
10.—Assessed Taxes	14,347	13,334	-	-	27,681	15,300	14,200
11.—Forest	360,144	417,390	1,726	775	780,035	377,200	432,900
12.—Registration	96,926	96,311	-	-	193,237	98,400	97,700
Total	3,671,366	5,184,637	37,030	16,618	**8,909,651**	4,354,100	5,216,300
INTEREST:							
13.—Interest on Debt * other than that charged to Railways and Irrigation Works.	272,710	51,914	2,402,302	1,078,031	3,804,957	317,900	63,800
14.—Interest on other Obligations	433,007	2,744	176	79	436,006	450,900	2,200
Total	705,717	54,658	2,402,478	1,078,110	**4,240,963**	768,800	66,000
POST OFFICE, TELEGRAPH, AND MINT:							
15.—Post Office	1,159,686	112,571	72,036	32,326	1,376,619	1,182,300	112,600
16.—Telegraph	579,670	454	104,387	46,844	731,355	603,200	400
17.—Mint	103,016	-	12,089	5,425	120,530	105,900	-
Total	1,842,372	113,025	188,512	84,595	**2,228,504**	1,891,400	113,000
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:							
18.—General Administration	596,965	814,753	239,845	107,630	1,759,193	595,600	819,300
19.—Law and Justice { Courts	98,412	2,612,017	4,035	1,811	2,716,275	101,500	2,649,800
19.—Law and Justice { Jails	159,751	697,940	-	-	857,691	159,100	722,400
20.—Police	950,009	2,937,555	-	-	3,887,564	860,000	2,965,000
21.—Marine (including River Navigation)	326,862	176,213	106,844	47,946	657,865	279,300	146,200
22.—Education	15,560	1,298,449	1,572	705	1,316,286	18,800	1,341,400
23.—Ecclesiastical	160,277	-	546	245	161,068	165,700	-
24.—Medical	34,988	740,850	6,492	2,913	785,243	35,300	758,300
25.—Political	564,593	53,040	25,968	11,653	655,254	716,700	55,000
26.—Scientific and other Minor Departments	255,767	143,671	27,285	12,244	438,967	307,100	143,800
Total	3,163,184	9,474,488	412,587	185,147	**13,235,406**	3,239,100	9,601,200
MISCELLANEOUS CIVIL CHARGES:							
27.—Territorial and Political Pensions	515,656	-	13,754	6,172	535,582	511,900	-
28.—Civil Furlough and Absentee Allowances	2,016	-	203,941	91,518	297,475	1,700	-
29.—Superannuation Allowances and Pensions	85,608	699,991	1,625,376	729,386	3,140,361	83,400	735,100
30.—Stationery and Printing	90,492	401,723	45,912	20,603	558,730	93,000	415,400
31.—Exchange	-	-	-	-	-	-	-
32.—Miscellaneous	52,703	191,995	25,841	11,596	282,135	62,700	185,100
Total	746,475	1,293,709	1,914,824	859,275	**4,814,283**	752,700	1,335,600
FAMINE RELIEF AND INSURANCE:							
33.—Famine Relief	-	68,288	-	-	68,288	-	8,000
34.—Construction of Protective Railways	-	-	-	-	-	-	-
35.—Construction of Protective Irrigation Works	71,457	-	-	-	71,457	75,600	-
36.—Reduction of Debt	460,255	-	-	-	460,255	516,400	-
Total‡	531,712	68,288	-	-	**600,000**	592,000	8,000
Carried forward	10,660,826	16,188,805	4,955,431	2,223,745	34,028,807	11,598,100	16,340,100

* The "Interest on Debt" is distributed as follows:—

	ACCOUNTS, 1889-90.			
	India.	England.	Exchange.	TOTAL.
	Rx.	*£.*	*Rx.*	*Rx.*
Interest on Debt (other than that charged to Railways and Irrigation Works) as above	324,624	2,402,302	1,078,031	3,804,957
Under Railway Revenue Account	2,764,468	914,022	410,166	4,088,656
Under Irrigation	1,060,683	-	-	1,060,683
TOTAL	4,149,775	3,316,324	1,488,197	8,954,296

† See foot-note to Statement A.

‡ The following further sums, which are included under XXVI. and 38 State Railways, are chargeable to the grant for Famine Relief and Insurance, as representing the net charge on the Revenues on account of Protective railways constructed through the agency of Companies:—

	Accounts, 1889-90.	Revised Estimate, 1890-91.	Budget Estimate, 1891-92.
	Rx.	*Rx.*	*Rx.*
Indian Midland Railway	238,181	254,100	236,900
Bengal-Nagpur Railway	223,828	252,100	220,100
TOTAL	462,009	506,200	457,000

REVENUES of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1890-91.			Increase + Decrease— of Revised as compared with Budget Estimates, 1890-91.	BUDGET ESTIMATE, 1891-92.					Increase + Decrease — of Budget, 1891-92, as compared with Budget, 1890-91.	Increase + Decrease— of Budget, 1891-92, as compared with Revised Estimate, 1890-91.
England.	Exchange. 1 s. 6·113 d.	TOTAL.		India. Imperial.	India. Provincial and Local.	England.	Exchange. 1 s. 5·25 d.	TOTAL.		
£.	Rx.	Rx.	Rx.	Rx.	Rx.	£.	Rx.	Rx.	Rx.	Rx.
- -	- -	232,900	+ 13,300	164,800	66,600	- -	- -	231,400	+ 11,800	— 1,500
- -	- -	1,517,200	+ 4,200	568,700	953,700	- -	- -	1,522,400	+ 9,400	+ 5,200
400	100	3,703,900	— 9,500	370,900	3,515,500	700	300	3,887,400	+ 174,000	+ 183,500
600	200	2,194,700	—110,100	2,273,900	- -	500	200	2,274,600	— 30,200	+ 79,900
500	200	437,700	— 15,300	452,000	14,100	600	200	466,900	+ 13,900	+ 29,200
35,000	11,400	132,000	— 11,100	—11,900	100,200	31,600	12,500	132,400	— 10,700	+ 400
100	- -	176,800	+ 4,200	140,900	47,700	100	- -	188,700	+ 16,100	+ 11,900
- -	- -	51,400	+ 7,900	- -	51,800	- -	- -	51,800	+ 8,300	+ 400
- -	- -	136,600	— 2,000	52,000	87,600	100	- -	140,600	+ 2,000	+ 4,000
- -	- -	29,500	— 1,700	16,300	15,300	- -	- -	31,600	+ 400	+ 2,100
2,000	700	812,800	— 35,100	427,500	475,300	2,100	800	905,700	+ 57,800	+ 92,900
- -	- -	196,100	+ 1,300	101,400	100,500	- -	- -	201,900	+ 7,100	+ 5,800
38,600	12,600	**9,621,600**	—153,900	4,557,400	5,428,300	35,700	14,000	**10,035,400**	+ 259,900	+ 413,800
2,512,800	816,700	3,711,200	—129,500	—37,400	81,100	2,407,200	942,000	3,392,900	— 447,800	— 318,300
300	100	453,500	— 2,100	471,700	2,200	300	100	474,300	+ 18,700	+ 20,800
2,513,100	816,800	**4,164,700**	—131,600	434,300	83,300	2,407,500	942,100	**3,867,200**	— 429,100	— 297,500
79,200	25,800	1,399,900	— 20,000	1,211,100	115,000	95,500	37,400	1,459,000	+ 39,100	+ 59,100
134,300	43,600	781,500	— 19,000	622,300	400	122,000	47,700	792,400	— 8,100	+ 10,900
15,500	5,000	126,400	+ 18,200	105,200	- -	8,300	3,200	116,700	+ 8,500	— 9,700
229,000	74,400	**2,307,800**	— 20,800	1,938,600	115,400	225,800	88,300	**2,368,100**	+ 39,500	+ 60,300
246,300	80,100	1,741,300	— 28,100	599,400	823,100	245,300	96,000	1,763,800	— 5,600	+ 22,500
700	200	2,752,200	— 7,700	113,600	2,725,600	3,600	1,400	2,844,200	+ 84,300	+ 92,000
- -	- -	881,500	— 6,400	165,200	750,900	- -	- -	916,100	+ 28,200	+ 34,600
- -	- -	3,825,000	—124,200	836,100	3,102,400	- -	- -	3,938,500	— 10,700	+ 113,500
116,900	38,000	580,400	— 38,800	289,100	182,100	172,100	67,300	710,600	+ 91,400	+ 130,200
1,600	500	1,362,300	— 33,500	21,700	1,402,700	1,800	700	1,426,900	+ 31,100	+ 64,600
400	100	166,200	— 1,000	169,100	- -	600	200	169,900	+ 2,700	+ 3,700
6,700	2,200	802,500	— 7,800	37,000	785,700	7,500	2,900	833,100	+ 22,800	+ 30,600
25,200	8,200	805,100	+ 74,000	677,100	56,500	22,400	8,800	764,800	+ 33,700	— 40,300
22,500	7,300	480,700	— 26,100	421,400	154,600	23,400	9,200	608,600	+ 101,800	+ 127,000
420,300	136,600	**13,397,200**	—199,600	3,329,700	9,983,600	476,700	186,500	**13,976,500**	+ 379,700	+ 579,300
46,300	15,100	573,300	+ 44,100	498,800	- -	22,400	8,800	530,000	+ 800	— 43,300
176,000	57,200	234,000	— 81,400	1,300	- -	209,000	81,800	292,100	— 24,200	+ 57,200
1,685,400	547,800	3,051,700	—132,700	83,200	747,100	1,716,500	671,700	3,218,500	+ 34,100	+ 166,800
51,000	16,600	576,000	— 32,600	95,600	417,500	42,300	16,600	572,000	— 36,600	— 4,000
26,500	8,600	282,900	— 24,000	41,300	277,300	30,000	11,700	360,300	+ 53,400	+ 77,400
1,985,200	645,300	**4,718,800**	—226,600	720,200	1,441,900	2,020,200	790,600	**4,972,900**	+ 27,500	+ 254,100
- -	- -	8,000	— 2,500	- -	3,000	- -	- -	3,000	— 7,500	— 5,000
- -	- -	- -	- -	975,000	- -	- -	- -	975,000	+ 975,000	+ 975,000
- -	- -	75,600	+ 10,600	65,000	- -	- -	- -	65,000	- -	— 10,600
- -	- -	516,400	— 8,100	- -	- -	- -	- -	- -	— 524,500	— 516,400
- -	- -	**600,000**	- -	1,040,000	3,000	- -	- -	**1,043,000**	+ 443,000	+ 443,000
5,186,200	1,685,700	34,810,100	—732,500	12,020,200	17,055,500	5,165,900	2,021,500	36,263,100	+ 720,500	+1,453,000

REVISED ESTIMATE, 1890-91.				BUDGET ESTIMATE, 1891-92.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
Rx.	£.	Rx.	Rx.	Rx.	£.	Rx.	Rx.
381,700	2,512,800	816,700	3,711,200	43,700	2,407,200	942,000	3,392,900
2,880,500	988,300	321,200	4,190,000	3,023,000	1,167,800	456,900	4,647,700
1,082,000	- -	- -	1,082,000	1,107,000	- -	- -	1,107,000
4,344,200	3,501,100	1,137,900	8,983,200	4,173,700	3,575,000	1,398,900	9,147,600

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1889-90. India. Imperial.	India. Provincial and Local.	England.	Exchange.* 1 s. 4·566 d.	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
	Rx.	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward	10,660,826	16,188,805	4,955,431	2,223,745	34,028,807	11,598,100	16,340,100
37.—CONSTRUCTION of RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	- -	4,974	- -	- -	4,974	- -	9,100
RAILWAY REVENUE ACCOUNT:							
38.—State Railways: Working Expenses	6,013,751	850,688	- -	- -	6,864,439	5,839,900	1,022,200
Interest on Debt	2,268,141	476,912	861,500	386,597	3,993,150	2,367,600	493,500
Annuities in purchase of Railways	- -	- -	1,687,780	757,390	2,445,170	- -	- -
Interest chargeable against Companies on Advances.	- -	- -	52,522	23,569	76,091	- -	- -
Interest on Capital deposited by Companies	21,465	- -	670,557	300,912	992,934	19,400	- -
39.—Guaranteed Companies: Surplus Profits, Land, and Supervision.	472,885	- -	- -	- -	472,885	515,700	- -
Interest	9,468	- -	2,337,058	1,048,753	3,395,279	7,500	- -
40.—Subsidised Companies: Land, &c.	54,557	14,573	- -	- -	69,130	25,000	14,700
Advances of Interest	—	—	—	—	—	—	—
41.—Miscellaneous Railway Expenditure	129,231	19,893	- -	- -	149,124	122,900	30,500
Total	8,969,498	1,362,066	5,609,417	2,517,221	**18,458,202**	8,898,000	1,560,900
IRRIGATION:							
42.—Major Works: Working Expenses	359,249	368,309	- -	- -	727,558	370,400	377,100
Interest on Debt	548,144	512,539	- -	- -	1,060,683	565,300	516,700
43.—Minor Works and Navigation	293,571	569,877	703	315	864,466	291,500	638,800
Total	1,200,964	1,450,725	703	315	**2,652,707**	1,227,200	1,532,600
BUILDINGS AND ROADS;							
44.—Military Works	1,118,756	- -	13,603	6,104	1,138,463	1,190,900	- -
45.—Civil Works	628,594	3,482,070	112,553	50,509	4,273,726	599,200	3,867,300
Total	1,747,350	3,482,070	126,156	56,613	**5,412,189**	1,790,100	3,867,300
ARMY SERVICES:							
46.—Army: Effective	14,037,013	- -	1,904,003	854,420	16,795,436	13,826,200	- -
Non effective	907,082	- -	2,053,700	921,596	3,882,378	989,800	- -
Total	14,944,095	- -	3,957,703	1,776,016	**20,677,814**	14,816,000	- -
SPECIAL DEFENCE WORKS:							
47.—Special Defence Works	400,436	- -	199,513	89,532	**689,481**	263,300	- -
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL	37,923,169	22,488,640	14,848,923	6,663,442	81,924,174	38,592,700	23,310,000
Add,—Portion of Allotments to Provincial Governments not spent by them in the Year	- -	+562,198	- -	- -	+ 562,198	- -	+104,800
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances	- -	— 13,202	- -	- -	— 13,202	- -	—417,600
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	- -	23,037,636	- -	- -	**82,473,170**	- -	22,997,200

	ACCOUNTS, 1889-90. India.	England.	Exchange.	TOTAL.
EXPENDITURE NOT CHARGED TO REVENUE:	*Rx.*	£.	*Rx.*	*Rx.*
Capital Outlay on Railways and Irrigation Works:				
48.—State Railways: Construction	1,349,203	997,588	447,667	2,794,458
49.—Irrigation Works	376,088	1,963	881	378,932
TOTAL	1,725,291	999,551	448,548	**3,173,390**
50.—CAPITAL CHARGE INVOLVED IN REDEMPTION OF LIABILITIES.	- -	- -	- -	- -

* *See* foot-note to Statement A.

REVENUES of INDIA, in INDIA and in ENGLAND—*continued.*

ESTIMATE, 1890-91.			Increase + Decrease — of Revised, as compared with Budget Estimates, 1890-91.	BUDGET ESTIMATE, 1891-92.					Increase + Decrease — of Budget, 1891-92, as compared with Budget, 1890-91.	Increase + Decrease — of Budget, 1891-92, as compared with Revised Estimate, 1890-91.
				India.						
England.	Exchange.* 1 *s.* 6·113 *d.*	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.* 1 *s.* 5·25 *d.*	TOTAL.		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
5,186,200	1,685,700	34,810,100	— 732,500	12,020,200	17,055,500	5,165,900	2,021,500	36,263,100	+ 720,500	+1,453,000
- -	- -	**9,100**	+ 4,300	- -	210,500	- -	- -	**210,500**	+ 205,700	+ 201,400
- -	- -	6,862,100	— 233,900	6,520,000	1,134,200	- -	- -	7,654,200	+ 558,200	+ 792,100
865,400	281,300	4,007,800	— 118,600	2,498,200	505,400	1,005,900	393,600	4,403,100	+ 276,700	+ 395,300
1,690,600	549,400	2,240,000	— 211,400	- -	- -	1,693,600	662,700	2,356,300	— 95,100	+ 116,300
122,900	39,900	162,800	— 15,600	- -	- -	161,900	63,300	225,200	+ 46,800	+ 62,400
669,200	217,500	906,100	— 83,600	19,400	- -	681,700	266,800	967,900	— 21,800	+ 61,800
- -	- -	515,700	— 53,300	599,000	- -	- -	- -	599,000	+ 30,000	+ 83,300
2,354,200	765,100	3,126,800	— 316,900	2,500	- -	2,146,900	840,100	2,989,500	— 454,200	— 137,300
- -	- -	39,700	— 12,300	35,000	15,100	- -	- -	50,100	— •1,900	+ 10,400
—	—	—	—	—	—	—	—	—	—	—
- -	- -	153,400	+ 42,100	120,000	8,800	- -	- -	128,800	+ 17,500	— 24,600
5,702,300	1,853,200	**18,014,400**	—1,003,500	9,794,100	1,663,500	5,690,000	2,226,500	**19,374,100**	+ 356,200	+1,359,700
- -	- -	747,500	+ 18,700	375,500	378,200	- -	- -	753,700	+ 24,900	+ 6,200
- -	- -	1,082,000	— 1,200	585,600	521,400	- -	- -	1,107,000	+ 23,800	+ 25,000
2,300	700	933,300	+ 5,900	326,200	695,800	300	100	1,022,400	+ 95,000	+ 89,100
2,300	700	**2,762,800**	+ 23,400	1,287,300	1,595,400	300	100	**2,883,100**	+ 143,700	+ 120,300
22,300	7,200	1,220,400	+ 59,700	1,118,900	- -	8,200	3,200	1,130,300	— 30,400	— 90,100
102,000	33,100	4,601,600	+ 45,000	654,500	4,190,600	96,100	37,600	4,978,800	+ 422,200	+ 377,200
124,300	40,300	**5,822,000**	+ 104,700	1,773,400	4,190,600	104,300	40,800	**6,109,100**	+ 391,800	+ 287,100
2,492,500	810,100	17,128,800	— 390,400	13,649,800	- -	2,496,100	976,700	17,122,600	— 396,600	— 6,200
2,097,300	681,600	3,768,700	— 217,200	915,700	- -	2,165,500	847,400	3,928,600	— 57,300	+ 159,900
4,589,800	1,491,700	**20,897,500**	— 607,600	14,565,500	- -	4,661,600	1,824,100	**21,051,200**	— 453,900	+ 153,700
196,200	63,800	**523,300**	— 369,000	360,000	- -	350,000	137,000	**847,000**	— 45,300	+ 323,700
15,801,100	5,135,400	82,839,200	—2,580,200	39,800,500	24,715,500	15,972,100	6,250,000	86,738,100	+1,318,700	+3,898,900
- -	- -	+ 104,800	—	—	—	—	—	—	—	—
- -	- -	— 417,600	- -	- -	—828,400	- -	- -	— 828,400	—	—
- -	- -	**82,526,400**	- -	- -	23,887,100	- -	- -	**85,909,700**	—	—

REVISED ESTIMATE, 1890-91.				BUDGET ESTIMATE, 1891-92.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
Rx.	£.	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*
1,519,300	1,106,200	359,500	2,985,000	1,291,600	1,192,000	466,400	2,950,000
495,100	7,000	2,300	504,400	543,900	4,400	1,700	550,000
2,014,400	1,113,200	361,800	**3,489,400**	1,835,500	1,196,400	468,100	**3,500,000**
- -	4,692,600	- -	**4,692,600**	—	—	—	—

* *See* foot-note to Statement A.

C.—STATEMENT of Receipts and Disbursements

	ACCOUNTS, 1889-90.			REVISED ESTIMATE, 1890-91.			BUDGET ESTIMATE, 1891-92.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Revenue (from Statement A.)	84,598,760	335,768	84,934,528	84,799,300	388,100	85,187,400	85,729,500	212,600	85,942,100
Exchange added to Revenue	150,675	- -	150,675	126,100	- -	126,100	83,200	- -	83,200
Total	84,749,435	335,768	85,085,203	84,925,400	388,100	85,313,500	85,812,700	212,600	86,025,300
Permanent Debt Incurred:									
Sterling Debt:									
3½ per Cent. Debentures	- -	661,000	—	—	—	—	—	—	—
3 per Cent. Stock	- -	3,500,000	- -	- -	5,400,000	- -	- -	2,600,000	—
Debentures and Debenture Stock.	- -	- -	- -	- -	1,495,000	—	—	—	—
Rupee Debt:									
4 per Cent. Rupee Loan	2,000,000	—	—	—	—	—	—	—	—
Stock Notes	—	—	—	—	—	—	—	—	—
Miscellaneous	- -	- -	- -	700	—	—	—	—	—
Total	2,000,000	4,161,000	6,161,000	700	6,895,000	6,895,700	- -	2,600,000	2,600,000
Net	- -	- -	5,129,018	- -	- -	6,290,300	- -	- -	1,091,400
Unfunded Debt:									
Treasury Notes	1,650	- -	- -	2,000	—	—	—	—	—
Deposits of Service Funds	128,175	- -	- -	131,500	- -	- -	134,400	—	—
Savings Bank Deposits	4,114,726	- -	- -	3,467,400	- -	- -	3,564,900	—	—
Total	4,244,551	- -	4,244,551	3,600,900	- -	3,600,900	3,699,300	- -	3,699,300
Net	- -	- -	0	- -	- -	539,200	- -	- -	583,000
Deposits and Advances:									
Balances of Provincial Allotments	562,198	- -	- -	104,800	—	—	—	—	—
Appropriation for reduction of Debt.	460,255	- -	- -	516,400	—	—	—	—	—
Excluded Local Funds	615,003	- -	- -	650,900	- -	- -	647,500	—	—
Political and Railway Funds	286,205	- -	- -	221,900	- -	- -	212,900	—	—
Departmental and Judicial Deposits.	14,648,933	- -	- -	14,740,300	- -	- -	14,133,600	—	—
Advances	11,185,425	6,917	- -	15,462,600	4,700	- -	10,228,700	7,300	—
Suspense Accounts	87,915	- -	- -	45,500	- -	- -	15,700	—	—
Exchange on Remittance Accounts (net).	- -	- -	- -	239,400	- -	- -	769,600	—	—
Miscellaneous	266,720	770	- -	455,800	- -	- -	55,000	—	—
Total	28,112,654	7,687	28,120,341	32,437,600	4,700	32,442,300	26,063,000	7,300	26,070,300
Net	- -	- -	1,049,671	- -	- -	854,100	- -	- -	0
Carried forward	119,106,640	4,504,455	- -	120,964,600	7,287,800	- -	115,575,000	2,819,900	—

of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND.

	ACCOUNTS, 1889-90.			REVISED ESTIMATE, 1890-91.			BUDGET ESTIMATE, 1891-92.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
EXPENDITURE, IMPERIAL and PROVINCIAL (from Statement B.).	60,411,809	14,848,923	75,260,732	61,902,700	15,801,100	77,703,800	64,516,000	15,972,100	80,488,100
Exchange, charged as Expenditure	6,663,442	- -	6,663,442	5,135,400	- -	5,135,400	6,250,000	- -	6,250,000
Add,—Provincial Surpluses, transferred to "Deposits."	562,198	- -	562,198	104,800	- -	104,800	—	—	—
Deduct,—Provincial Deficits, charged against "Deposits."	—13,202	- -	—13,202	—417,600	- -	—417,600	—828,400	- -	—828,400
Total - - -	67,624,247	14,848,923	82,473,170	66,725,300	15,801,100	82,526,400	69,937,600	15,972,100	85,909,700
EXPENDITURE NOT CHARGED TO REVENUE.									
Capital Outlay on Railways and Irrigation Works.	1,725,291	999,551	- -	2,014,400	1,113,200	- -	1,895,500	1,196,400	- -
Capital Charge involved in Redemption of Liabilities.	- -	- -	- -	- -	4,692,600	—	—	—	—
Add,—Exchange on Expenditure not charged to Revenue.	448,548	- -	- -	361,800	- -	- -	408,100	—	—
Total - - -	2,173,839	999,551	3,173,390	2,376,200	5,805,800	8,182,000	2,303,600	1,196,400	3,500,000
PERMANENT DEBT DISCHARGED:									
Sterling Debt:									
India 5 per Cent. Stock -	- -	3,167	- -	- -	1,300	—	—	—	—
India 4 per Cent. Stock -	- -	248,698	- -	- -	87,000	—	—	—	—
India 3½ per Cent. Debentures	- -	661,000	- -	- -	- -	- -	- -	1,386,000	—
Oudh and Rohilkund Railway Debentures.	- -	- -	- -	- -	500,000	- -	- -	31,000	—
South Indian Railway Debentures.	- -	- -	- -	- -	- -	- -	- -	86,100	—
Rupee Debt:									
5½ per Cent. Loans - -	700	—	—	—	—	—	—	—	—
5 per Cent. Loans - - -	1,706	- -	- -	600	—	—	—	—	—
4½ per Cent. Loans - -	25,990	- -	- -	4,000	- -	- -	2,000	—	—
4 per Cent. Loans - -	88,792	—	—	—	—	—	—	—	—
Provincial Debentures - -	- -	- -	- -	11,900	- -	- -	3,000	—	—
Stock Notes - - - -	1,929	- -	- -	600	- -	- -	500	—	—
Total - - -	119,117	912,865	1,031,982	17,100	588,300	605,400	5,500	1,503,100	1,508,600
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
UNFUNDED DEBT:									
Special Loans - - - -	34,702	- -	- -	400	- -	- -	400	—	—
Treasury Notes - - -	1,300	- -	- -	1,600	—	—	—	—	—
Deposits of Service Funds -	82,554	- -	- -	86,100	- -	- -	86,000	—	—
Savings Bank Deposits - -	4,195,611	- -	- -	2,973,600	- -	- -	3,029,900	—	—
Total - - -	4,314,167	- -	4,314,167	3,061,700	- -	3,061,700	3,116,300	- -	3,116,300
Net - - -	- -	- -	69,616	- -	- -	0	- -	- -	0
DEPOSITS AND ADVANCES:									
Balances of Provincial Allotments	13,202	- -	- -	417,600	- -	- -	828,400	—	—
Excluded Local Funds - -	657,323	- -	- -	683,400	- -	- -	630,800	—	—
Political and Railway Funds -	303,998	- -	- -	237,400	- -	- -	231,000	—	—
Departmental and Judicial Deposits.	14,543,114	- -	-	14,733,500	- -	- -	14,082,300	—	—
Advances - - - -	11,231,279	3,662	- -	15,410,900	9,000	- -	10,308,300	2,600	—
Suspense Accounts - - -	165,277	- -	- -	40,000	- -	- -	18,800	—	—
Exchange on Remittance Accounts (net).	47,843	—	—	—	—	—	—	—	—
Miscellaneous - - - -	104,728	244	- -	56,400	- -	- -	421,100	—	—
Total - - -	27,066,764	3,906	27,070,670	31,579,200	9,000	31,588,200	26,526,700	2,600	26,529,300
Net - - -	- -	- -	0	- -	- -	0	- -	- -	459,000
Carried forward - - -	101,298,134	16,765,245	- -	103,759,500	22,204,200	- -	101,889,700	18,674,200	—

C.—STATEMENT of Receipts and Disbursements

	ACCOUNTS, 1889-90.			REVISED ESTIMATE, 1890-91.			BUDGET ESTIMATE, 1891-92.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward	119,106,640	4,504,455	—	120,964,600	7,287,800	—	115,575,000	2,819,900	—
Loans to Native States and Presidency Corporations, &c.	121,456	—	121,456	90,900	—	90,900	83,500	—	83,500
Net	—	—	0	—	—	0	—	—	0
Loans and Advances by Provincial Governments.	258,730	—	258,730	219,800	—	219,800	221,300	—	221,300
Net	—	—	0	—	—	0	—	—	0
Capital Receipts from Railway Companies:									
On account of Subscribed Capital.	—	1,736,651	—	20,000	98,800	—	140,000	2,716,800	—
Repayments	1,293,804	5,281	—	1,308,900	5,700	—	1,067,900	—	—
Total	1,293,804	1,741,932	3,035,736	1,328,900	104,500	1,433,400	1,207,900	2,716,800	3,924,700
Net	—	—	0	—	—	0	—	—	0
Remittances:									
Inland Money Orders	14,418,484	—	—	16,258,000	—	—	17,000,000	—	—
Other Local Remittances	14,680	—	—	8,400	—	—	—	—	—
Other Departmental Accounts	472,140	—	—	219,900	—	—	579,000	—	—
Net Receipts by Civil Treasuries from—									
Post Office	206,057	—	—	617,000	—	—	645,200	—	—
Guaranteed Railways	3,559,160	—	—	3,383,400	—	—	3,077,200	—	—
Net Receipts from Civil Treasuries by—									
Telegraph	24,897	—	—	33,900	—	—	59,300	—	—
Marine	283,520	—	—	234,300	—	—	234,800	—	—
Military	13,630,963	—	—	13,597,600	—	—	13,227,000	—	—
Public Works	1,459,399	—	—	826,700	—	—	1,336,100	—	—
Remittance Account between England and India.	923,517	186,955	—	941,400	197,200	—	1,357,700	115,800	—
Total	34,992,817	186,955	35,179,772	36,120,600	197,200	36,317,800	38,416,300	115,800	38,532,100
Net	—	—	0	—	—	373,300	—	—	19,500
Secretary of State's Bills Drawn.	—	15,474,496	15,474,496	—	15,989,000	15,989,000	—	16,000,000	16,000,000
Total Receipts	155,773,447	21,907,838	—	158,724,800	23,578,500	—	155,504,000	21,652,500	—
Opening Balance	13,305,189	3,259,933	—	14,748,821	5,402,873	—	16,797,121	3,532,473	—
GRAND TOTAL	169,078,636	25,167,771	—	173,473,621	28,981,373	—	172,301,121	25,184,973	—

Fort William, Finance and Commerce Department,
20 March 1891.

R. N. Ray,
Officiating Deputy Comptroller General.

D.—ACCOUNT of Provincial and Local Savings charged to Revenue, and held

Provincial and

Note.—These Balances do not include the Balances

	India.	Central Provinces.	Burma.	Assam.
Accounts, 1889-90.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Balance at end of 1888-89 *	11,922	310,631	208,466	104,941
Added in 1889-90	657	—	69,636	19,764
Spent in 1889-90	—	13,202	—	—
Balance at end of 1889-90	12,579	297,429	278,102	124,705
Revised Estimate, 1890-91.				
Balance at end of 1889-90 (by Accounts)	12,579	297,429	278,102	124,705
Added in 1890-91	—	—	44,100	—
Spent in 1890-91	300	74,900	—	11,900
Balance at end of 1890-91	12,279	222,529	322,202	112,805
Budget Estimate, 1891-92.				
Balance at end of 1890-91 (by Revised Estimate).	12,279	222,529	322,202	112,805
Added in 1891-92	—	—	—	—
Spent in 1891-92	1,200	47,000	112,400	12,800
Balance at end of 1891-92	11,079	175,529	209,802	100,005

* *See* Appropriation Report, Abstract D.

Fort William, Finance and Commerce Department,
20 March 1891.

R. N. Ray,
Officiating Deputy Comptroller General.

of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND—*continued.*

	ACCOUNTS, 1889-90.			REVISED ESTIMATE, 1890-91.			BUDGET ESTIMATE, 1891-92.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward - - -	101,298,134	16,765,245	- -	103,759,500	22,204,200	- -	101,889,700	18,674,200	—
Loans to Native States and Presidency Corporations, &c.	477,361	- -	477,361	543,600	- -	543,600	568,200	- -	568,200
Net - - -	- -	- -	355,905	- -	- -	452,700	- -	- -	484,700
Loans and Advances by Provincial Governments.	500,979	- -	500,979	550,300	- -	550,300	744,000	- -	744,000
Net - - -	- -	- -	242,249	- -	- -	330,500	- -	- -	523,600
Payments to Railway Companies on Capital Account:									
For discharge of Debentures	- -	500,000	- -	- -	898,100	- -	- -	1,533,500	—
For Expenditure - -	2,235,123	1,516,205	- -	1,884,100	1,379,500	- -	1,392,100	1,440,500	—
Total - - -	2,235,123	2,016,205	4,251,328	1,884,100	2,277,600	4,161,700	1,392,100	2,974,000	4,366,100
Net - - -	- -	- -	1,215,592	- -	- -	2,728,300	- -	- -	441,400
Remittances:									
Inland Money Orders - -	14,393,100	- -	- -	16,258,000	- -	- -	17,900,000	—	—
Other Departmental Accounts	474,110	- -	- -	219,900	- -	- -	579,000	—	—
Net Payments into Civil Treasuries by—									
Post Office - - -	202,914	- -	- -	617,000	- -	- -	645,200	—	—
Guaranteed Railways -	3,559,160	- -	- -	3,383,400	- -	- -	3,077,200	—	—
Net Issues from Civil Treasuries to—									
Telegraph - - - -	24,819	- -	- -	33,000	- -	- -	59,300	—	—
Marine - - - -	283,997	- -	- -	234,300	- -	- -	234,800	—	—
Military - - - -	13,678,031	- -	- -	13,497,600	- -	- -	13,227,000	—	—
Public Works - - -	1,493,912	- -	- -	576,700	- -	- -	1,336,100	—	—
Remittance Account between England and India.	165,178	983,448	- -	156,600	967,100	- -	142,900	1,311,100	—
Total - - -	34,215,221	983,448	35,198,669	34,977,400	967,100	35,944,500	37,201,500	1,311,100	38,512,600
Net - - -	- -	- -	18,897	- -	- -	0	- -	- -	0
SECRETARY OF STATE'S BILLS PAID.	15,602,097	- -	15,602,997	14,961,600	- -	14,961,600	16,934,400	- -	16,934,400
TOTAL DISBURSEMENTS -	154,329,815	19,764,898	- -	156,676,500	25,448,900	- -	158,730,800	22,959,300	—
Closing Balance - -	14,748,821	5,402,873	- -	16,797,121	3,532,473	- -	13,570,321	2,225,673	—
GRAND TOTAL - - -	169,078,636	25,167,771	- -	173,473,621	28,981,373	- -	172,301,121	25,184,973	—

Stephen Jacob,
Officiating Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL CONTRACTS.

LOCAL BALANCES.

of Deposits and Advances upon Local Fund Accounts.

Bengal.	North Western Provinces and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
495,634	444,042	406,794	1,248,182	843,857	4,074,469
94,940	117,005	42,375	155,614	62,207	562,198
- - -	- - -	- - -	- - -	- - -	13,202
590,574	561,047	449,169	1,403,796	906,064	4,623,465
590,574	561,047	449,169	1,403,796	906,064	4,623,465
- - -	34,000	26,700	- - -	- - -	104,800
84,100	- - -	- - -	139,100	107,300	417,600
506,474	595,047	475,869	1,264,696	798,764	4,310,665
506,474	595,047	475,869	1,264,696	798,764	4,310,665
—	—	—	—	—	—
50,000	52,500	77,400	303,700	171,400	828,400
456,474	542,547	398,469	960,996	627,364	3,482,265

Stephen Jacob,
Officiating Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—INDIA and ENGLAND.

NET REVENUE.

	ACCOUNTS, 1889-90.				
	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Land Revenue	23,981,399	55,015	23,926,384	3,624,194	20,302,190
Opium	8,583,056	66	8,582,990	1,605,107	6,977,883
Salt	8,187,739	35,812	8,151,927	412,766	7,739,161
Stamps	4,087,908	47,444	4,040,464	134,373	3,906,091
Excise	4,891,894	30,191	4,861,703	156,739	4,704,964
Provincial Rates	3,410,055	6,622	3,403,433	55,075	3,348,358
Customs	1,506,686	48,455	1,458,231	135,021	1,323,210
Assessed Taxes	1,595,274	13,609	1,581,665	27,681	1,553,984
Forest	1,486,303	2,915	1,483,388	780,035	703,353
Registration	353,792	846	352,946	193,237	159,709
Tributes from Native States	777,707	-	777,707	-	777,707
	58,861,813	240,975	58,620,838	7,124,228	51,496,610
Deduct,—Assignments and Compensations	-	-	-	-	1,544,448
TOTAL NET REVENUE	-	-	-	-	49,952,162

NET EXPENDITURE.

	ACCOUNTS, 1889-90.		
	Gross Expenditure.	Receipts.	Net Expenditure.
	Rx.	*Rx.*	*Rx.*
Interest	4,240,963	873,201	3,367,762
Post Office, Telegraph, and Mint	2,228,504	2,337,624	—109,120
Civil Departments	13,235,406	1,556,372	11,679,034
Miscellaneous Civil Charges	4,814,283	1,264,409	3,549,874
Famine Relief and Insurance	600,000	-	600,000
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	4,974	-	4,974
Railway Revenue Account	18,458,202	16,605,601	1,852,601
Irrigation	2,652,707	1,991,078	661,629
Buildings and Roads	5,412,189	650,398	4,761,791
Army Services	20,677,814	944,707	19,733,107
Special Defence Works	689,481	-	689,481
	73,014,523	26,223,390	46,791,133
Provincial and Local Surpluses and Deficits	+ 562,198 — 13,202	-	+ 548,996
TOTAL NET EXPENDITURE	-	-	47,340,129
Surplus	-	-	2,612,033
			49,952,162

Fort William, Department of Finance and Commerce,
20 March 1891.

R. N. Ray,
Officiating Deputy Comptroller General.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—INDIA and ENGLAND.

NET REVENUE.

REVISED ESTIMATE, 1890-91.					BUDGET ESTIMATE, 1891-92.				
Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
23,914,600	51,900	23,862,700	3,703,900	20,158,800	24,399,300	45,900	24,353,400	3,887,100	20,466,000
7,875,000	100	7,874,900	2,194,700	5,680,200	7,593,400	100	7,593,300	2,274,600	5,318,700
8,453,200	35,500	8,417,700	437,700	7,980,000	8,343,500	37,400	8,306,100	466,900	7,839,200
4,096,100	47,300	4,048,800	132,000	3,916,800	4,148,200	47,000	4,101,200	132,400	3,968,800
4,923,700	26,700	4,897,000	176,800	4,720,200	4,953,700	27,600	4,926,100	188,700	4,737,400
3,475,400	6,200	3,469,200	51,400	3,417,800	3,530,900	6,000	3,524,900	51,800	3,473,100
1,722,500	44,900	1,677,600	136,600	1,541,000	1,700,900	49,600	1,651,300	140,600	1,510,700
1,603,500	15,000	1,588,500	29,500	1,559,000	1,610,300	14,400	1,595,900	31,600	1,564,300
1,451,200	4,400	1,446,800	812,800	634,000	1,511,100	2,400	1,508,700	905,700	603,000
369,100	900	368,200	196,100	172,100	369,900	1,000	368,900	201,900	167,000
762,200	- -	762,200	- -	762,200	765,000	- -	765,000	- -	765,000
58,646,500	232,900	58,413,600	7,871,500	50,542,100	58,926,200	231,400	58,694,800	8,281,600	50,413,200
- -	- -	- -	- -	1,517,200	- -	- -	- -	- -	1,522,400
- -	- -	- -	- -	49,024,900	- -	- -	- -	- -	48,890,800

NET EXPENDITURE.

REVISED ESTIMATE, 1890-91.			BUDGET ESTIMATE, 1891-92		
Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
4,164,700	925,800	3,238,900	3,807,200	806,400	3,060,800
2,307,800	2,539,500	— 231,700	2,368,100	2,469,700	— 101,600
13,397,200	1,607,600	11,789,600	13,976,500	1,571,300	12,405,200
4,718,800	920,600	3,798,200	4,972,900	821,400	4,151,500
600,000	- - -	600,000	1,043,000	- - -	1,043,000
9,100	- - -	9,100	210,500	- - -	210,500
18,014,400	17,007,600	1,006,800	19,374,100	17,872,400	1,501,700
2,762,800	2,171,200	591,600	2,883,100	2,160,600	722,500
5,822,000	637,700	5,184,300	6,109,100	597,100	5,512,000
20,897,500	857,000	20,040,500	21,051,200	800,200	20,251,000
523,300	- - -	523,300	847,000	- - -	847,000
73,217,600	26,667,000	46,550,600	76,702,700	27,099,100	49,603,600
+ 104,800 — 417,600	- - -	— 312,800	— 828,400	- - -	— 828,400
- - -	- - -	46,237,800	- - -	- - -	48,775,200
- - -	- - -	2,787,100	- - -	- - -	115,600
- - -	- - -	49,024,900	- - -	- - -	48,890,800

Stephen Jacob,
Officiating Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

APPENDIX III.

CONTENTS.

		PAGES
TABLE I.	Miscellaneous	78
„ II.	Sea-borne Trade for the Year	80
„ III.	Sea-borne Trade for the first Eleven Months of the Year	81
„ IV.	Wholesale Prices of Typical Commodities in Gold and Silver in London and Calcutta in December in each Year	84
„ V.	Statement showing the true Financial Results to the Revenues of India of the Guarantee of Interest upon the Capital of Guaranteed Railway Companies	85
„ VI.	Actual Capital Expenditure on State Railways in 1889-90, and Estimated Expenditure on such Works in 1890-91 and 1891-92, and to end of 1891-92	86
„ VII.	Capital Expenditure on Irrigation—Major Works, in 1889-90, and Estimated Expenditure on such Works in 1890-91, 1891-92, and to the end of 1891-92	88
„ VIII.	Gross Receipts, Working Expenses, and Net Traffic Receipts, of Guaranteed and State Railways, for Five Years ending 1889-90, with Revised Estimates for 1890-91, and Budget Estimates for 1891-92	89
„ IX.	Gross Receipts, Working Expenses, and Net Earnings, of Irrigation—Major Works, for Five Years ending 1889-90, with Revised Estimate for 1890-91, and Budget Estimate for 1891-92	91
„ X.	Abstract of Budget Estimates of Capital Transactions of Guaranteed and Subsidised Railways, 1890-91 and 1891-92	93

APPENDIX III.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1882-83.	1883-84.	1884-85.	
Recorded Revenue compared with the recorded Expenditure, excluding Capital Expenditure on Public Works not charged against Revenue:				
Surplus	*Rx.* 674,837	1,879,707		1
Deficit			386,446	2
Capital Expenditure on Public Works not charged against Revenue.*	*Rx.* 4,661,124	3,574,105	4,226,613	3
Capital Charge involved in Redemption of Liabilities	£. 480,333	566,261	1,314,746	4
Net Public Debt incurred	3,086,791	3,062,953	1,193,924	5
Net Public Debt incurred, including capital transactions with Guaranteed Railway and other Companies.	4,683,410	2,219,364	801,966	6
Value of commodities exported, excluding Gold and Silver	*Rx.* 83,485,000	88,176,000	83,255,000	7
Value of commodities imported, excluding Gold and Silver	„ 52,096,000	55,279,000	55,703,000	8
Excess of Exports over Imports, excluding Gold and Silver	„ 31,389,000	32,897,000	27,552,000	9
Net Imports of Gold	„ 4,931,000	5,463,000	4,672,000	10
Net Imports of Silver	„ 7,480,000	6,405,000	7,246,000	11
TOTAL Net Imports of Gold and Silver	„ 12,411,000	11,868,000	11,918,000	12
Excess of Exports over Imports, including Gold and Silver	„ 18,978,000	21,029,000	15,634,000	13
Grand Total Value of Imports and Exports of all kinds	„ 150,076,000	157,344,000	154,817,000	14
Secretary of State's Bills sold	*Rs.* 18,58,56,593	21,62,15,462	17,10,22,119	15
Sterling equivalent received	£. 15,120,521	17,599,895	13,758,909	16
Silver coined at the Indian Mints	*Rx.* 6,508,457	3,663,400	5,794,232	17
Maximum price of an oz. Troy standard silver in London	*d.* 52 7/16 (June)	51 1/16 (Feb.)	51 (April)	18
Minimum ditto ditto	„ 50 (Dec.)	50 5/16 (May and June)	48 7/8 (Feb.)	19
Average exchange upon Secretary of State's Bills sold per rupee.	1 *s.* 7·522 *d.*	1 *s.* 7·536 *d.*	1 *s.* 7·308 *d.*	20
Fixed rate of exchange for the adjustment of transactions between the Indian and Imperial Treasuries.	1 *s.* 8 *d.*	1 *s.* 7¾ *d.*	1 *s.* 7½ *d.*	21
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta.	10 (April)	9 (Mar.)	11 (April and May)	22
Minimum ditto ditto	4 (Sept.)	5	3 (Nov. and Dec.)	23
Maximum rate of discount at the Bank of England	5 (Sept.)	4	5 (Nov., Dec. & Jan.)	24
Minimum ditto ditto	3 (March)	3	2 (June to Sept.)	25
Maximum Government Balances at the three Presidency Banks.	*Rx.* 6,712,300 (Oct.)	5,556,700 (Aug.)	5,731,200 (Nov.)	26
Minimum ditto ditto	„ 3,424,200 (April)	3,167,100 (Jan.)	2,991,900 (May)	27
Maximum price in Calcutta of Government 4 per cent. Rupee Securities.	102-4 (Feb.)	101-1 (April)	101-12 (June)	28
Minimum ditto ditto	99 (Oct.)	94-8 (Feb.)	94-12 (March)	29
Maximum amount outstanding on London Register of Rupee Securities enfaced for interest drafts.	*Rx.* 21,420,700 (Feb.)	21,405,500 (May)	21,008,000 (May)	30
Minimum ditto ditto	„ 21,059,000 (Aug.)	20,626,200 (Aug.)	20,594,300 (Feb.)	31
Maximum price in London of 4 per cent. (Rupee) Securities, in gold.	85 7/16 (May)	81⅞ (April)	82½ (May)	32
Minimum ditto ditto	75½ (Dec.)	77¼ (Jan.)	74 (March)	33
Maximum price in London of India 3½ per cent. stock	102¾ (Jan.)	103½ (Nov.)	107⅞ (Sept.)	34
Minimum ditto ditto	99 (July)	101½ (June)	97¼ (Mar.)	35
Maximum price in London of India 3 per cent. Stock	- - -	- - -	96½ (Sept.)	36
Minimum ditto ditto	- - -	- - -	88½ (Mar.)	37
Maximum Government Paper Currency outstanding	*Rx.* 16,254,400 (Nov.)	14,485,700 (Oct.)	15,762,700 (Nov.)	38
Minimum ditto ditto	„ 14,199,900 (April)	12,109,100 (Jan.)	12,342,500 (April)	39
Number of Savings Banks	4,587	5,553	5,860	40
Number of Depositors in Savings Banks	148,470	203,901	243,268	41
Amount deposited in Savings Banks	*Rx.* 3,616,405	4,005,930	4,687,082	42
Average of each deposit	„ 24	20	19	43
Net addition to deposits	„ 343,756	389,525	681,152	44

* Excludes Capital charge involved in redemption of Liabilities.

APPENDIX III.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.	Revised Estimate, 1890-91.	Budget, 1891-92.
1	-	178,427	-	37,018	2,612,033	2,787,100	115,000
2	2,801,726	-	2,028,832	—	—	—	—
3	5,275,364	5,670,484	2,784,824	1,638,001	3,173,390	3,489,400	3,500,000
4	1,086,045	4,914,546	-	10,396,049	-	4,092,600	—
5	3,584,979	9,727,538	5,435,799	13,487,881	5,120,018	6,290,300	1,691,400
6	7,735,903	9,043,165	4,861,672	9,456,342	3,913,426	3,562,000	650,000
7	83,881,000	88,470,000	90,544,000	97,040,000	103,400,000	—	—
8	55,656,000	61,777,000	65,005,000	69,440,000	69,197,600	—	—
9	28,225,000	26,693,000	25,539,000	27,600,000	34,263,000	—	—
10	2,763,000	2,177,000	2,992,000	2,814,000	4,615,000	—	—
11	11,607,000	7,156,000	9,229,000	9,247,900	10,038,000	—	—
12	14,370,000	9,333,000	12,221,000	12,061,000	15,553,000	—	—
13	13,855,000	17,360,000	13,318,000	15,548,000	18,710,000	—	—
14	156,123,000	163,021,000	170,979,000	182,119,000	192,024,000	—	—
15	13,53,25,369	16,70,03,150	21,81,23,993	20,80,01,221	22,41,80,638	21,18,54,000	22,26,00,000
16	10,292,692	12,136,279	15,358,577	14,262,859	15,474,496	15,989,000	16,000,000
17	10,285,566	4,616,537	10,788,424	7,282,255	8,541,158	—	—
18	50 5/16 (May)	47 1/8 (Jan.)	45 1/8 (Dec.)	41 7/16 (Sept.)	44 1/8 (Jan.)	54 1/8 (Sept.)	—
19	46 7/16 (Jan.)	42 (Aug.)	43 (Mar.)	41 3/4 (May)	41 1/16 (May)	43 1/8 (April)	—
20	1 *s.* 6·254 *d.*	1 *s.* 5·441 *d.*	1 *s.* 4·899 *d.*	1 *s.* 4·379 *d.*	1 *s.* 4·506 *d.*	1 *s.* 6·113 *d.*	1 *s.* 5·25 *d.*
21	1 *s.* 7 1/4 *d.*	1 *s.* 6 1/4 *d.*	1 *s.* 6 *d.*	1 *s.* 5 *d.*	1 *s.* 4 1/2 *d.*	1 *s.* 5 *d.*	1 *s.* 6 1/2 *d.*
22	9 (May)	8 (June, July, Feb. and March)	9 (April and May)	12 (Feb. & Mar.)	11 (Feb. and Mar.)	12 (April)	—
23	4 (From July to Jan.)	5 (Nov., Dec., & Jan.)	3 (Oct. to Dec.)	4 (May to Sept.)	4 (June, July & Oct.)	3 (Aug. to Feb.)	—
24	4 (Dec.)	5 (Dec. and Jan.)	4 (Sept. to Jan.)	5 (Oct. to Jan.)	6 (Jan. and Feb.)	6 (Nov.)	—
25	2 (May to Nov.)	2 (April & May)	2 (April to Aug.)	2 (April & May)	2 1/2 (April & July)	3 (April, June & Feb.)	—
26	6,486,800 (Dec.)	4,594,600 (June)	3,595,900 (Feb.)	4,385,500 (June)	4,446,400 (March)	4,083,800 (June)	—
27	3,638,800 (May)	3,296,500 (Sept.)	2,861,500 (Dec.)	2,791,900 (Nov.)	2,856,900 (Nov.)	2,937,300 (Oct.)	—
28	99-14 (July)	98-2 (Sept.)	100 (Oct.)	101-1 (Sept.)	100-10 (July)	106-6 (Jan. 1891)	—
29	91-12 (May)	95 (Feb.)	95-4 (April)	96-6 (Jan.)	96-3 (Jan.)	99-7 (April 1890)	—
30	20,562,400 (April)	19,710,300 (Oct.)	20,816,000 (March)	21,878,500 (Oct.)	21,970,300 (Nov.)	26,563,300 (Jan.)	—
31	19,179,300 (Jan.)	19,056,200 (Mar.)	18,919,500 (Oct.)	20,978,300 (April)	21,594,000 (March)	21,506,000 (April)	—
32	78 1/4 (July)	73 1/8 (Nov.)	70 7/8 (Sept.)	69 1/4 (Sept.)	70 1/8 (Jan.)	90 1/2 (Aug.)	—
33	71 3/4 (Jan.)	65 5/8 (Aug.)	67 (April)	65 1/8 (May)	66 1/8 (Sept.)	70 1/4 (April)	—
34	102 1/2 (Aug.)	102 (May)	108 (Mar.)	108 3/4 (Mar.)	109 1/4 (May)	109 1/2 (Jan.)	—
35	97 (April)	100 1/4 (Sept.)	100 1/2 (Sept.)	104 (Oct.)	106 1/8 (Dec.)	104 1/4 (Nov.)	—
36	91 1/4 (Feb.)	90 (April)	99 3/8 (Mar.)	100 1/8 (Feb.)	102 (Aug.)	100 1/8 (April)	—
37	85 (July)	85 (Feb.)	87 3/4 (April)	96 (May)	99 (April)	94 3/4 (Nov.)	—
38	15,713,500 (Oct.)	14,678,200 (Nov.)	18,610,300 (Nov.)	18,055,300 (July)	16,667,800 (Nov.)	27,660,200 (Jan.)	—
39	13,017,900 (April)	13,779,400 (April)	13,903,200 (May)	14,829,800 (Feb.)	15,466,500 (Dec.)	17,419,600 (April)	—
40	6,198	6,230	6,152	6,237	6,546	—	—
41	263,196	289,277	332,176	383,471	431,840	—	—
42	5,081,183	5,795,249	6,675,571	7,622,544	7,531,868	—	—
43	19	20	20	20	18	—	—
44	394,101	714,066	880,322	946,973	—90,676	—	—

APPENDIX III.—*continued.*

TABLE II.—SEA-BORNE TRADE for the YEAR. (Principal ARTICLES arranged in Order of their DECLARED VALUE.)

No.	EXPORTS.		1885-86.	1886-87.	1887-88.	1888-89.	1889-90.
1	Cotton—						
	Raw:						
	Quantity	*Cwt.*	4,189,718	5,432,648	5,374,542	5,331,536	6,320,342
	Value	*Rx.*	10,777,204	13,468,429	14,412,842	15,045,648	18,668,404
	Average declared value per lb. *Annas*		*As.* 3 8	*As.* 3 6	*As.* 3 10	*As.* 4 –	*As.* 4 3
	Average declared value per lb. *Pence, at average exchange*		4·18	3·81	4·05	4·09	4·4
	Twist and Yarn:						
	Quantity	*Lbs.*	78,241,771	91,804,244	113,451,375	128,906,764	141,949,951
	Value	*Rx.*	2,755,252	3,336,861	4,077,386	5,207,100	5,748,732
	Average declared value per lb.	*Annas*	*As.* 5 8	*As.* 5 10	*As.* 5 9	*As.* 6 6	*As.* 6 6
	Other Manufactures:						
	Value	*Rx.*	830,258	945,644	1,150,542	1,167,464	1,005,011
	Average declared value per yard Grey or unbleached	*Annas*	*As.* 1 9	*As.* 1 10	*As.* 1 10	*As.* 1 11	*As.* 1 9
	Coloured, printed, or dyed	,,	*As.* 3 9	*As.* 4 7	*As.* 4 5	*As.* 4 7	*As.* 4 6
	Percentage of manufactures on whole value exported		25·22	24·13	26·62	29·76	26·57
2	Jute:						
	Raw and manufactured—Value	*Rx.*	5,486,171	6,021,672	7,786,739	10,468,631	11,431,103
	Average declared value of raw jute per cwt. *Rupees*		5 9 6	5 13 10	6 4 3	7 7 9	8 6 9
	Average declared value of raw jute per cwt. *Shillings, at average exchange*		8·50	8·52	8·82	10·21	11·63
	Percentage of manufactures on whole value exported		20·61	19·13	22·43	24·56	24·42
3	Seeds:						
	Quantity	*Cwt.*	17,280,147	15,866,604	16,060,400	15,569,978	15,794,742
	Value	*Rx.*	9,948,350	9,198,560	9,385,024	9,561,756	10,627,553
	Average declared value of linseed, per cwt. *Rupees*		5 13 1	5 15 9	5 13 8	5 15 8	6 10 –
	Average declared value of linseed, per cwt. *Shillings, at average exchange*		8·85	8·70	8·24	8·16	9·15
4	Opium:						
	Quantity	*Chests*	87,956	95,839	90,096	87,789	85,166
	Value	*Rx.*	10,735,518	11,077,669	10,067,764	10,508,081	10,115,936
	Average declared value per chest	*Rupees*	1,221	1,156	1,117	1,197	1,188
5	Rice and Paddy:						
	Quantity	*Cwt.*	28,222,595	26,879,272	28,534,057	23,144,641	27,098,906
	Value	*Rx.*	9,247,126	8,836,827	9,291,686	7,915,409	10,110,482
	Average declared value of husked rice, per cwt. *Rupees*		3 4 9	3 5 –	3 4 5	3 7 2	3 12 1
	Average declared value of husked rice, per cwt. *Shillings, at average exchange*		5·01	4·81	4·61	4·71	5·18
6	Wheat:						
	Quantity	*Cwt.*	21,060,519	22,263,320	13,538,169	17,610,081	13,799,224
	Value	*Rx.*	8,002,350	8,625,864	5,562,373	7,522,676	5,791,377
	Average declared value per cwt. *Rupees*		3 12 9	3 14 –	4 1 9	4 4 4	4 3 2
	Average declared value per cwt. *Shillings, at average exchange*		5·78	5·83	5·79	5·83	5·8
7	Tea:						
	Quantity	*Lbs.*	68,784,249	78,702,857	87,514,505	97,011,112	103,760,104
	Value	*Rx.*	4,366,133	4,727,992	5,174,440	5,267,315	5,277,650
	Average declared value per lb. *Annas*		*As.* 10 –	*As.* 9 7	*As.* 9 6	*As.* 8 8	*As.* 8 2
	Average declared value per lb. *Shillings, at average exchange*		·95	·87	·84	·74	·7
8	Hides and Skins:						
	Quantity	*No.*	32,376,309	31,860,787	30,914,151	32,357,166	30,955,168
	Value	*Rx.*	5,334,602	5,149,218	4,852,382	4,743,546	4,524,261
	Percentage of dressed or manufactured on whole value exported		43·91	45·40	52·07	55·11	55·79
9	Indigo:						
	Quantity	*Cwt.*	132,495	138,396	139,644	142,447	157,116
	Value	*Rx.*	3,783,160	3,691,677	3,890,649	3,948,594	3,863,084
	Average declared value per cwt. *Rupees*		285 8 6	266 11 11	278 9 9	277 3 1	245 14 –
	Average declared value per cwt. *Sterling, at average exchange*	£.	21·72	19·38	19·62	18·92	16·97
10	Coffee:						
	Quantity	*Cwt.*	371,027	370,458	273,775	365,299	239,795
	Value	*Rx.*	1,348,395	1,502,251	1,529,680	1,884,243	1,489,872
	Average declared value per cwt. *Rupees*		36 5 6	40 8 10	55 14 –	51 9 4	62 2 1
	Average declared value per cwt. *Shillings, at average exchange*		55·28	58·94	78·68	70·41	85·77
11	Wool:						
	Raw and manufactured—Value	*Rx.*	953,069	985,484	1,086,404	1,090,858	1,211,438
	Average declared value of raw wool per lb. *Annas*		*As.* 6 –	*As.* 6 2	*As.* 6 6	*As.* 7 1	*As.* 7 3
	Average declared value of raw wool per lb. *Pence, at average exchange*		6·85	6·72	6·86	7·25	7·51
12	Sugar:						
	Value	*Rx.*	525,412	504,803	465,829	550,339	917,179
13	Silk:						
	Raw and manufactured—Value	*Rx.*	661,835	802,443	860,107	807,238	900,539
	Average declared value of raw silk per lb. *Rupees*		2 4 11	3 – 11	2 15 4	2 7 1	3 1 –
	Average declared value of raw silk per lb. *Shillings, at average exchange*		3·51	4·44	4·17	3·33	4·23
14	Teak Wood:						
	Quantity	*Cubic Tons*	50,076	23,946	40,446	52,609	71,342
	Value	*Rx.*	550,515	223,154	367,274	575,263	762,998
	Average declared value per cubic ton *Rupees*		109 15 –	93 3 1	90 12 11	109 5 7	106 15 2
	Average declared value per cubic ton *Sterling, at average exchange*	£.	8·36	6·77	6·89	7·46	7·38
15	Oils:						
	Value	*Rx.*	395,563	458,812	471,055	430,306	543,945
16	Lac:						
	Value	*Rx.*	588,286	520,169	501,888	401,078	489,380
17	Saltpetre:						
	Quantity	*Cwt.*	402,174	397,572	386,396	420,503	422,229
	Value	*Rx.*	370,200	376,091	364,016	401,801	411,276
	Average declared value per cwt. *Rupees*		9 3 3	9 7 4	9 6 9	9 8 11	9 11 10
	Average declared value per cwt. *Shillings, at average exchange*		14·00	13·75	13·27	13·04	13·45

APPENDIX III.—*continued.*

TABLE II.—Sea-borne Trade for the Year, &c.—*continued.*

No.	IMPORTS.	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.
1	Cotton—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	45,916,126	49,014,194	51,543,277	52,587,342	46,383,843
	Value - - - - - - - - - *Rx.*	3,172,178	3,318,404	3,582,033	3,746,983	3,482,747
	Average declared value per lb. — *Annas*	11·05	10·83	11·12	11·4	12·01
	Average declared value per lb. — *Pence, at average exchange*	1 *s.* 0·6 *d.*	11·8 *d.*	11·74 *d.*	11·67 *d.*	1 *s.* 0·43 *d.*
	Other Manufactures:					
	Value - - - - - - - - - *Rx.*	21,124,848	25,853,827	23,930,241	27,773,247	26,398,597
	TOTAL COTTON GOODS—Gross Imports - *Rx.*	24,297,026	29,172,231	27,512,274	31,520,230	29,881,344
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	*1,082,610*	*1,819,248*	*1,058,963*	*1,601,596*	*1,270,444*
	Value - - - - - - - - - *Rx.*	*66,303*	*81,146*	*69,345*	*111,514*	*91,382*
	Other Manufactures:					
	Value - - - - - - - - - *Rx.*	*1,368,715*	*1,490,700*	*1,648,312*	*1,705,167*	*1,728,358*
	Total Re-exports - *Rx.*	*1,435,018*	*1,571,846*	*1,717,657*	*1,816,681*	*1,819,740*
	TOTAL COTTON GOODS—Net Imports - *Rx.*	22,862,008	27,600,385	25,794,617	29,703,549	28,061,604
2	Metals - - - - - - - - - *Value Rx.*	4,986,307	4,845,736	5,575,392	4,406,283	5,983,709
3	Railway plant and rolling stock - - - - „	4,317,565	3,327,832	3,826,264	3,693,939	2,907,086
4	Silk (Raw and Manufactured) - - - - - „	1,830,960	2,177,111	2,918,139	2,588,105	2,845,159
5	Oils - - - - - - - - - - „	961,130	1,408,430	1,486,791	2,072,825	2,645,213
6	Machinery and mill-work - - - - - „	1,057,833	1,429,764	1,860,583	2,409,737	2,491,428
7	Sugar - - - - - - - - - „	1,458,097	2,080,540	2,113,617	1,790,939	2,200,049
8	Woollen Manufactures - - - - - - „	1,463,023	1,660,905	1,823,358	1,712,548	1,597,549
9	Provisions - - - - - - - - „	1,191,881	1,179,474	1,504,436	1,588,103	1,596,565
10	Liquors - - - - - - - - - „	1,387,143	1,474,643	1,506,667	1,508,962	1,489,121
11	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - - - - - - *Tons*	770,517	740,155	821,626	843,743	609,218
	Value - - - - - - - - - - *Rx.*	1,249,710	1,258,793	1,599,593	1,921,831	1,304,591
	Average declared value per ton — *Rupees*	16·22	17·01	19·47	22·78	21·41
	Average declared value per ton — *Shillings, at average exchange*	24·67	24·72	27·42	31·09	29·56
12	Apparel - - - - - - - - - *Value Rx.*	956,097	1,001,848	1,156,182	1,156,469	1,200,020
13	Salt:					
	Quantity - - - - - - - - - *Tons*	369,088	416,592	423,897	398,810	410,808
	Value - - - - - - - - - - *Rx.*	596,048	768,987	795,521	882,130	894,532
	Average declared value per ton — *Rupees*	16·42	18·46	18·77	22·12	21·77
	Average declared value per ton — *Shillings, at average exchange*	24·97	26·83	26·49	30·19	30·05
14	Spices - - - - - - - - - *Value Rx.*	718,678	663,845	931,518	855,228	852,350

TABLE III.—SEA-BORNE TRADE for the first ELEVEN MONTHS of the Year. (Principal ARTICLES arranged in Order of their DECLARED VALUE.)

	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Value of commodities Exported, excluding gold and silver	79,157,402	81,366,106	86,405,227	92,285,086	89,711,045
Value of commodities Imported, excluding gold and silver	56,029,666	58,544,193	63,363,187	62,700,493	65,894,862
EXCESS EXPORTS - - - *Rx.*	23,127,736	22,821,913	23,042,040	29,584,593	23,816,783
Net Imports of silver - - - - - - - -	6,158,858	8,061,245	7,049,564	9,056,774	13,256,140
Net Imports of gold - - - - - - - -	1,730,585	2,951,713	2,300,924	4,431,684	5,289,211
TOTAL NET IMPORTS of Gold and Silver - - *Rx.*	7,889,443	11,012,958	9,350,488	13,488,458	18,545,351
GRAND TOTAL IMPORTS AND EXPORTS OF ALL KINDS - - - - - - *Rx.*	146,442,072	153,822,459	162,375,711	171,994,205	178,033,666

APPENDIX III.—*continued.*

TABLE III.—Sea-borne Trade for the first Eleven Months of the Year, &c.—*continued.*

No.	EXPORTS.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1886–87.	1887–88.	1888–89.	1889–90.	1890–91.
1	Cotton, Raw:					
	Quantity - - - - - *Cwt.*	4,536,417	4,657,287	4,343,723	5,064,349	5,013,776
	Value - - - - - *Rx.*	11,226,193	12,332,010	12,209,711	14,730,222	14,104,493
	Average value per lb. - - - R.	- 3 6	- 3 9	- 4 -	- 4 2	- 4 -
	Cotton Manufactures—					
	Twist and Yarn:					
	Quantity - - - - - *Lbs.*	82,676,694	103,729,341	115,742,920	129,785,427	155,202,180
	Value - - - - - *Rx.*	3,018,559	3,717,994	4,670,186	5,270,598	6,038,094
	Average value per lb. - - R.	- 5 10	- 5 9	- 6 5	- 6 6	- 6 3
	Other Manufactures—Value - *Rx.*	865,600	1,043,887	1,089,368	932,973	1,057,562
	TOTAL COTTON (Raw and Manufactured) - - *Rx.*	15,110,352	17,093,891	17,969,265	20,933,793	21,200,149
2	Rice and Paddy:					
	Quantity - - - - - *Cwt.*	20,587,925	22,411,006	17,551,552	21,784,829	28,563,270
	Value - - - - - *Rx.*	6,968,866	7,409,021	6,101,814	8,325,070	10,680,296
	Average value per cwt. - - R.	3 6 2	3 4 11	3 7 7	3 13 2	3 11 10
3	Jute (Raw and Manufactured) *Value Rx.*	5,430,959	7,259,139	9,722,431	10,693,299	9,272,259
4	Opium:					
	Quantity - - - - *Chests*	88,070	82,613	79,069	79,391	79,772
	Value - - - - - *Rx.*	10,191,881	9,232,336	9,460,586	9,483,368	8,632,373
	Average value per chest - - R.	1,157 4 -	1,117 8 8	1,196 8 -	1,194 8 3	1,082 2 1
5	Seeds:					
	Quantity - - - - - *Cwt.*	14,849,048	15,077,692	14,602,851	14,556,904	13,346,420
	Value - - - - - *Rx.*	8,590,881	8,789,736	8,956,138	9,825,845	8,415,284
	Average value per cwt. - - R.	5 12 7	5 13 3	6 2 2	6 12 -	6 4 11
6	Wheat:					
	Quantity - - - - - *Cwt.*	21,659,241	13,031,489	16,826,208	13,389,833	13,505,956
	Value - - - - - *Rx.*	8,373,563	5,348,318	7,165,307	5,609,245	5,691,171
	Average value per cwt. - - R.	3 13 10	4 1 9	4 4 2	4 3 -	4 3 5
7	Tea:					
	Quantity - - - - - *Lbs.*	77,543,424	86,831,319	95,823,643	100,815,502	104,560,665
	Value - - - - - *Rx.*	4,665,307	5,137,612	5,209,695	5,150,253	5,103,727
	Average value per lb. - - - R.	- 9 8	- 9 6	- 8 8	- 8 2	- 7 10
8	Hides and Skins:					
	Quantity - - - - - *Cwt.*	875,558	770,128	757,970	712,413	732,593
	Value - - - - - *Rx.*	4,561,806	4,291,598	4,273,509	4,104,603	4,186,844
	Average value per cwt. - - R.	52 1 8	55 11 7	56 6 1	57 9 10	57 2 5
9	Indigo:					
	Quantity - - - - - *Cwt.*	128,902	129,018	133,055	147,377	111,674
	Value - - - - - *Rx.*	3,472,657	3,638,526	3,740,382	3,665,579	2,929,614
	Average value per cwt. - - R.	269 6 5	282 - 3	281 1 10	248 11 6	262 5 5
10	Coffee:					
	Quantity - - - - - *Cwt.*	294,071	210,142	285,559	176,096	195,689
	Value - - - - - *Rx.*	1,125,480	1,183,220	1,426,314	1,050,866	1,216,798
	Average value per cwt. - - R.	38 4 4	56 4 11	49 15 2	61 12 6	62 2 11
11	Wool (Raw and Manufactured) *Value Rx.*	917,475	992,513	1,005,633	1,124,592	932,800
12	Lac - - - - - - „ *Rx.*	458,583	458,524	353,398	410,716	693,897
13	Silk (Raw and Manufactured) „ *Rx.*	702,303	763,774	713,041	814,605	657,492
14	Oils - - - - - - „ *Rx.*	406,925	417,470	381,316	509,015	492,517
15	Teak Wood:					
	Quantity - - - *Cubic Tons*	21,607	36,409	48,476	65,668	38,879
	Value - - - - - *Rx.*	200,158	323,902	531,616	704,932	386,830
	Average value per cubic ton - R.	92 10 2	88 15 5	109 10 8	107 5 7	99 7 11
16	Saltpetre:					
	Quantity - - - - - *Cwt.*	350,257	349,351	387,800	367,316	351,711
	Value - - - - - *Rx.*	329,148	329,515	369,517	357,650	336,136
	Average value per cwt. - - R.	9 6 4	9 6 11	9 8 5	9 11 9	9 8 11
17	Sugar - - - - *Value Rx.*	470,272	424,369	473,890	905,818	335,681

APPENDIX III.—*continued*

TABLE III.—Sea-borne Trade for the first Eleven Months of the Year, &c.—*continued*.

No.	IMPORTS.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1886-87.	1887-88.	1888-89.	1889-90.	1890-91.
1	COTTON—					
	Twist and Yarn:					
	Quantity - - - - *Lbs.*	43,504,229	46,098,900	48,244,135	41,803,228	46,539,206
	Value - - - - - *Rx.*	2,960,518	3,189,592	3,446,025	3,152,351	3,446,746
	Average value per lb. - - R.	- 10 11	- 11 1	- 11 5	- 12 1	- 11 10
	Ditto - in sterling, at average exchange.	1 *s.*	11¼ *d.*	11¼ *d.*	1 *s.* -¼ *d.*	1 *s.* 1¼ *d.*
	Other Manufactures - *Value Rx.*	23,578,344	21,593,402	25,234,768	23,682,712	24,853,696
	TOTAL COTTON GOODS—Gross Imports - - *Rx.*	26,538,862	24,782,994	28,680,793	26,835,063	28,300,442
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - Lbs.	*1,252,289*	*910,704*	*1,525,894*	*1,192,224*	*1,096,663*
	Value - - - - - Rx.	*76,695*	*58,858*	*105,981*	*81,045*	*74,166*
	Average Value per lb. - - R.	*- 9 10*	*- 10 4*	*- 11 1*	*- 11 5*	*- 10 10*
	Other Manufactures - Value Rx.	*1,351,181*	*1,481,772*	*1,537,878*	*1,615,772*	*1,566,656*
	Total Re-exports - - - Rx.	*1,427,876*	*1,540,630*	*1,643,859*	*1,696,817*	*1,640,822*
	TOTAL COTTON GOODS—Net Imports - - *Rx.*	25,110,986	23,242,364	27,036,934	25,138,246	26,659,620
2	Metals - - - - - *Value Rx.*	4,202,191	4,952,200	3,946,321	5,439,002	5,455,494
3	Sugar - - - - - - „	1,959,382	1,848,829	1,581,145	1,933,813	3,151,782
4	Railway Plant and Rolling Stock. „	3,117,910	3,322,923	3,504,251	2,623,818	3,023,365
5	Silk (Raw and Manufactured) - „	2,000,998	2,088,346	2,399,490	2,645,667	2,325,637
6	Oils - - - - - - „	1,235,681	1,337,586	1,880,829	2,374,897	2,196,283
7	Machinery and Millwork - „	1,252,302	1,640,858	2,184,992	2,289,336	1,990,598
8	Woollen Manufactures - - „	1,581,179	1,719,112	1,619,654	1,508,594	1,826,275
9	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - *Tons*	648,651	708,599	756,732	567,108	722,150
	Value - - - - *Rx.*	1,076,088	1,367,428	1,726,981	1,214,080	1,410,168
	Average Value per Ton - R.	16 9 7	19 4 9	22 13 2	21 6 9	19 8 5
10	Provisions - - - *Value Rx.*	1,081,645	1,389,890	1,472,321	1,491,481	1,371,273
11	Liquors - - - - - - „	1,317,005	1,349,089	1,371,400	1,337,947	1,307,335
12	Apparel - - - - - - „	909,646	1,055,797	1,053,751	1,109,106	1,144,144
13	Spices - - - - - - „	608,298	845,118	755,248	799,190	738,981
14	Salt:					
	Quantity - - - - *Tons*	379,617	411,158	364,424	347,545	366,108
	Value - - - - - *Rx.*	695,295	760,708	805,274	754,461	717,838
	Average Value per Ton - R.	18 5 1	18 8 -	22 1 7	21 1 4	19 9 9

APPENDIX III.—*continued.*

TABLE IV.—WHOLESALE PRICES of TYPICAL COMMODITIES in GOLD and SILVER in *London* and *Calcutta* in December in each Year.

(Prices of March 1873 = 100.)

	Measured in Gold.								Measured in Silver.*							
In LONDON— (Prices quoted from the London "Economist"):	1883.	1884.	1885.	1886.	1887.	1888.	1889.	1890.	1883.	1884.	1885.	1886.	1887.	1888.	1889.	1890.
Scotch pig-iron (warrants)	36	36	35	37	37	35	50	40	42	43	45	48	49	50	68	50
Coals, Hetton, Wallsend (London).	54	52	51	51	49	51	63	55	63	62	66	67	66	71	86	69
Copper, Chili bars	65	54	45	43	95	87	55	62	76	64	53	56	127	121	75	79
Straits tin	58	52	64	69	115	68	67	64	68	62	81	89	153	95	92	80
Wheat	70	57	55	61	56	55	55	59	82	68	69	80	74	78	75	74
Flour, town-made	67	54	53	56	54	61	57	65	78	65	68	71	73	85	78	82
Beef, inferior	97	98	75	75	75	67	87	70	113	117	95	97	100	95	119	88
Cotton, No. 40, mule twist	69	70	64	60	62	65	64	68	81	88	82	77	84	91	88	85
Wool, Southdown hogs	61	52	51	59	55	54	59	59	71	63	65	76	73	75	80	74
Sugar, foreign Muscovado	64	44	60	42	56	53	45	55	75	52	77	55	75	75	61	69
Coffee	83	66	65	86	102	101	112	118	97	79	83	111	136	142	153	149
Saltpetre	87	81	78	77	77	77	78	78	102	97	100	99	103	107	107	99
Gold	–	–	–	–	–	–	–	–	117	119	127	130	134	140	137	126
Silver	85	84	79	77	75	71	73	79	–	–	–	–	–	–	–	–
In CALCUTTA—(Prices quoted from the "Calcutta Price Current"):																
Grey shirtings (8¼ lbs.)									74	76	80	81	79	81	76	74
Mule twist, white, good, No. 40									75	72	71	62	72	75	74	71
„ „ Turkey red, No. 40 (12 lbs.)									65	58	57	58	58	57	57	56
„ „ Orange, No. 40—60									82	78	73	75	86	85	85	77
Copper, sheathing									77	65	58	65	90	90	69	72
Iron, flat, bolt, bar, and square									62	54	50	53	59	65	79	64
Spelter, hard									79	84	97	109	128	107	144	151
Hides, buffalo, slaughtered									72	71	77	80	69	74	Nom.	Nil.
Indigo, good									116	103	110	72	82	93	76	88
Jute, picked									164	110	118	131	153	192	192	123
Shell lac, fine orange									98	56	59	56	68	76	102	76
Linseed, fine, bold, clean									95	95	101	98	94	112	115	99
Rice, Ballam									138	139	176	106	118	147	165	159
Silk, raw, Cossimbazar									66	60	73	89	64	76	87	71
Tea, good Souchong									64	55	64	55	50	52	50	48
Wheat, Doodiah									85	66	72	81	76	87	81	86
Gold									112	119	122	123	131	135	131	122

* The values measured in silver in London have been calculated from the values in gold on the basis of the price of standard silver in London.

APPENDIX III.—*continued.*

TABLE V.—STATEMENT showing the true Financial Results to the REVENUES of *India* of the Guarantee of Interest upon the Capital of GUARANTEED RAILWAY COMPANIES.

	1885–86.	1886-87.	1887–88.	1888–89.	1889–90.	Revised Estimate, 1890-91.	Budget Estimate, 1891–92.
	Miles.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open Mileage at end of official year.	3,921	3,896	3,912	*3,241	3,243	†2,588	2,588
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Gross Traffic Receipts	7,809,537	7,280,512	7,241,465	7,403,415	6,534,567	6,613,700	6,220,000
Working Expenses	4,084,462	3,633,396	3,604,795	3,752,607	3,365,933	3,245,800	3,040,000
Percentage of Working Expenses on Receipts	52·30	49·91	49·78	50·68	51·50	49·08	48·88
Net Traffic Receipts	3,725,075	3,647,116	3,636,670	3,650,808	3,168,634	3,367,900	3,180,000
Net gain by the remittance to England of Capital Receipts and Disbursements in India at the contract rates of exchange, instead of at the average yearly rates obtained for the Secretary of State's bills	—	—	—	—	—	—	—
TOTAL Revenue	3,725,075	3,647,116	3,636,670	3,650,808	3,168,634	3,367,900	3,180,000
Gross Guaranteed Interest paid in India *Rx.*	49,767	10,648	25,595	6,672	9,468	7,500	2,500
Gross Guaranteed Interest paid in London £.	3,180,735	2,696,976	2,694,020	2,697,388	2,337,058	2,354,200	2,146,000
Total Guaranteed Interest (sterling payments converted at the average exchange of the year)	*Rx.* 4,231,707	*Rx.* 3,721,864	*Rx.* 3,852,047	*Rx.* 3,959,108	*Rx.* 3,395,279	*Rx.* 3,126,800	*Rx.* 2,989,500
Surplus paid to Railway Companies	397,129	534,598	662,622	570,195	441,933	473,000	571,500
Land and Supervision	79,553	66,235	51,436	44,344	30,952	42,700	27,500
Interest on Revenue Balances	1,419	1,827	2,265	3,288	—	—	—
Net Loss on Receipts and Disbursements of Capital in India, calculated in the same way as the gain	48,006	115,343	78,683	86,909	142,733	86,200	68,300
TOTAL Expenditure *Rx.*	4,757,814	4,439,867	4,647,953	4,663,844	4,010,897	3,728,700	3,656,800
Net Expenditure from the Public Treasury	1,032,739	792,751	1,011,283	1,013,036	842,263	360,800	476,800
Net Revenue	—	—	—	—	—	—	—

* The Oude and Rohilkund Railway, 692 miles, was purchased by the State on the 1st January 1889, and the mileage is shown under State Railways.

† The South Indian Railway, 654½ miles, was purchased by the State on the 31st December 1890, and the mileage is shown under State Railways.

APPENDIX III.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS in 1889–90, and ESTIMATED EXPENDITURE on such Works in 1890-91 and 1891–92, and to End of 1891–92.

RAILWAYS.	Accounts, 1889–90.	Revised Estimate, 1890–91.	Budget Estimate, 1891–92.	To End of 1891–92.	Sanctioned Outlay.	Balance remaining Unspent.
OPEN LINES.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	137,439					
Dildarnagar-Ghazipur	—70,623	- -	—36,700	14,293,863	14,293,863	—
Rajputana-Malwa	4,392	—10,000	41,500	9,340,086	9,340,086	—
Holkar	2,078	1,500	5,000	1,306,870	1,306,870	—
Rewari-Ferozepore	8,394	900	7,000	1,280,562	1,280,562	—
Bhopal	- -	20,100	4,300	155,457	155,457	—
Warora Colliery	—3,123	—23,650	24,700	699,752	699,752	—
Wardha Coal			—6,500			—
Umaria Colliery	4,447	6,640	3,000	97,026	97,026	—
Burma	42,409	25,600	25,000	5,176,918	5,176,918	—
Tounghoo-Mandalay	68,189					—
Jorhat	1,134	1,500	1,400	76,608	76,608	—
Cherra-Companygunj	822	467	500	77,944	77,944	—
Eastern Bengal	163,051	242,650	116,560	8,205,111	8,205,111	—
Assam-Behar—Assam-Behar Section	122,817					—
Tirhoot	13,657	5,000	15,000	2,137,071	2,137,071	—
Tirhoot—Durbhunga-Bairagnia Branch	114,670	95,100	45,000	255,677	254,224	—1,453
Patna-Gya	1,493	800	3,000	437,940	437,940	—
Nalhati	—1,231	1,610	100	35,596	35,596	—
Kaunia-Dhurla	24	1,100	500	96,772	96,772	—
Oudh and Rohilkhand	38,441	26,500	63,400	10,428,308	10,428,308	—
Cawnpore-Achnera	4,130	900	2,500	1,149,745	1,149,745	—
Bareilly-Pilibhit	1,314	400	- -	153,800	153,800	—
Lucknow-Sitapur-Seramau*	2,994	—33,500	- -	358,865	358,865	—
North Western	222,765					
Sind-Sagar—Western Section	22,840					
Bolan (high level line)	—30,843	302,730	305,100	32,782,985	32,782,985	—
Sind-Pishin (main line)	36,004					
Chenab Bridge	177,946	10,000				
Jammu-Kashmir	10,650	3,300	- -	26,817	26,817	—
Amritsar-Pathankot	1,119	—500	- -	560,833	560,833	—
Villupuram-Guntakal—Nellore Branch	—5,625	1,000	3,000	635,050	635,050	—
South Indian	- -	‡4,748,600	25,000	4,773,600	4,773,600	—
Bezvada Extension	3,915	4,100	2,000	142,398	142,398	—
Dhond and Manmad	1,086	450	9,000	1,108,447	1,108,447	—
TOTAL	1,096,775	5,433,297	659,360	95,794,101	95,792,648	—1,453
LINES UNDER CONSTRUCTION.						
Godhra-Rutlam	- -	80,000	250,000	330,000	† 1,591,960	1,261,960
North Western—Mianwali-Mari Branch	20,334	68,430	27,000	115,764	158,468	42,704
Mu Valley	160,687	424,600	516,400	1,101,687	* 1,028,896	—72,791
Sind-Pishin—Chaman Extension—Construction	655,216	251,640	25,000	1,574,002	1,487,388	—86,614
Sind-Pishin—Chaman Petroleum Operations	9,405	3,000	3,000	23,490	23,490	—
Frontier Railway Reserve Material	—29,543	117,150	11,000	373,002	373,002	—
Villupuram-Guntakal	779,350	975,200	380,000	2,252,323	* 2,528,437	276,114
East Coast, including Kistna Bridge	1,096	390,000	1,100,000	1,491,096	* 4,975,500	3,484,404
Mayavaram-Mutupet	- -	39,500	93,100	132,600	260,499	127,899
Dharmavaram-Hindupur	- -	2,000	80,000	82,000	283,866	201,866
Hyderabad-Umarkot	- -	- -	115,000	115,000	218,451	103,451
Moghul Serai-Palamow—Reserve	- -	- -	300,000	300,000	300,000	—
Sambulpore Road—Reserve	- -	- -	250,000	250,000	250,000	—
Military lines—Reserve	- -	- -	234,000	234,000	234,000	—
TOTAL	1,596,545	2,351,520	3,384,500	8,374,964	13,713,957	5,498,398 —159,405
Carried forward	2,693,320	7,784,817	4,043,860	104,169,065	109,506,605	5,498,398 —160,858

* Approximate Estimates.

† Revised Estimate under consideration.

‡ Includes the following—

	£.
Debt created for redemption of Share Capital	4,197,600
Less—Capital deposited by the new Company	1,000,000
	3,197,600
Debenture Stock taken over	425,000
Debentures taken over	1,070,000
	£. 4,692,600

APPENDIX III.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE ON STATE RAILWAYS, &c.—*continued.*

RAILWAYS.	Accounts, 1889-90.	Revised Estimate, 1890-91.	Budget Estimate, 1891-92.	To End of 1891-92.	Sanctioned Outlay.	Balance remaining Unspent.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward	2,693,320	7,784,817	4,043,860	104,169,065	109,506,605	5,408,398 —160,858
LINES UNDER SURVEY.						
Hindupur Extension Survey	—2,222	- -	- -	1,769	1,769	—
LINES IN ABEYANCE OR TRANSFERRED TO COMPANIES.						
Ranaghat-Bhagwangola	- -	- -	- -	30,244	30,244	—
Southern Mahratta	- -	- -	- -	*52,707	52,707	—
Bellary-Kistna	533	1,600	- -	1,657,029	1,657,029	—
Bilaspur-Etawah	- -	- -	- -	7,514	7,514	—
Vizagapatam-Raipur	- -	- -	- -	24,504	24,504	—
TOTAL	533	1,600	- -	1,771,998	1,771,998	—
Stores and Reserve	—23,810	—57,350	91,640	127,104	127,104	—
Nagpur-Chhattisgurh Depreciation Account	131,611	—42,400	- -	89,211	89,211	—
GRAND TOTAL	2,799,432	7,686,667	4,135,500	106,159,147	111,496,687	5,408,398 —160,858
Distributed as under:—						
Capital Expenditure on Public Works (not charged against Revenue):						
State Railways—Construction	2,794,458	7,677,600	2,950,000	96,123,978	—	—
Famine Relief and Insurance:						
Protective Railways	- -	- -	975,000	3,908,979	—	—
Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	4,974	9,067	210,500	6,126,190	—	—
TOTAL as above	2,799,432	7,686,667	4,135,500	106,159,147	—	—

* Represents depreciation on works and stores allowed by Government on transfer to the Company.

APPENDIX III.—*continued.*

TABLE VII.—CAPITAL EXPENDITURE on IRRIGATION—MAJOR WORKS, in 1889-90, and ESTIMATED EXPENDITURE on such Works in 1890-91, 1891-92, and to the End of 1891-92.

	Accounts, 1889-90.	Revised Estimate, 1890-91.	Budget Estimate, 1891-92.	TOTAL Actual and Estimated Outlay to End of 1891-92.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be Spent.
IRRIGATION WORKS.						
CAPITAL EXPENDITURE NOT CHARGED AGAINST REVENUE.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Bengal.						
Orissa Canals	34,901	42,200	46,000	2,476,829	3,110,213	633,384
Midnapore Canal	1,412	2,600	- -	830,613	833,613	3,000
Hidgellee Tidal Canal	4,941	15,200	30,700	230,390	256,464	26,074
Sone Canals	7,195	15,700	14,000	2,565,364	2,788,870	223,506
North Western Provinces and Oudh.						
Ganges Canal	7,585	13,800	31,200	2,714,587	2,923,442	208,855
Lower Ganges Canal	60,318	24,900	31,700	3,137,536	3,272,332	134,796
Agra Canal	3,534	4,500	2,900	853,154	871,670	18,516
Eastern Jumna Canal	10,550	5,300	6,200	325,386	344,191	18,805
Punjab.						
Western Jumna Canal	5,854	6,500	5,000	1,068,113	1,065,921	*—2,192*
Western Jumna Canal, Sirsa Branch (State outlay)	13,474	48,000	55,000	116,474	289,269	172,795
Bari Doab Canal	10,787	2,800	10,000	1,590,372	1,577,572	*—12,800*
Sirhind Canal (State outlay)	6,298	*—27,500*	40,000	2,252,340	2,312,240	59,900
Chenab Canal	59,494	182,000	148,000	696,034	998,500	302,466
Madras.						
Godavari Delta System	7,231	1,500	6,300	1,091,106	1,093,106	2,000
Kistna Delta System	49,524	45,500	48,100	977,376	1,391,978	414,602
Sangam Anicut System	4,300	2,300	3,200	301,588	306,500	4,912
Periyar Project	74,201	110,200	78,700	349,493	542,500	193,007
Bombay.						
Desert Canal	259	- -	1,400	123,101	123,479	378
Begari Canal	- -	1,800	5,000	169,361	162,561	*—6,800*
Eastern Nara Works	7,421	9,000	10,100	524,226	527,670	3,444
Mutha Canals	1,327	5,200	2,500	610,970	605,324	*—5,646*
Other projects	16,840	16,900	9,000	3,269,382	—	—
	387,446	528,400	585,000	26,273,795	—	—
Deduct,—Outlay incurred from ordinary Revenues	*—8,514*	*—24,000*	*—35,000*	*—5,502,893*	—	—
TOTAL	378,932	504,400	550,000	20,770,902	—	—
FAMINE RELIEF AND INSURANCE.						
PROTECTIVE IRRIGATION WORKS.						
North Western Provinces and Oudh.						
Betwa Canal	2,633	1,700	2,700	399,610	425,141	25,531
Punjab.						
Swat River Canal	6,566	4,300	1,800	350,594	354,581	3,987
Madras.						
Rushikulya Project	31,421	44,700	35,000	217,670	260,139	42,469
Bombay.						
Nira Canal	30,374	24,200	20,200	506,376	487,938	*—18,438*
Other projects	463	700	5,300	414,731	—	—
	71,457	75,600	65,000	1,888,981	—	—
Deduct,—Outlay incurred from ordinary Revenues	- -	- -	- -	*—285,434*	—	—
TOTAL	71,457	75,600	65,000	1,603,547	—	—
GRAND TOTAL	450,389	580,000	615,000	22,374,449	—	—

APPENDIX III.—*continued.*

TABLE VIII.—GROSS RECEIPTS, WORKING EXPENSES, and NET TRAFFIC RECEIPTS, of GUARANTEED and STATE RAILWAYS, for Five Years ending 1889-90, with REVISED ESTIMATES for 1890-91, and BUDGET ESTIMATES for 1891-92.

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.	1891-92.
GUARANTEED RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	4,528	*3,921	3,896	3,912	†‡ 3,241	3,243	§ 2,588
Gross Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Madras	760,952	794,264	821,527	861,715	942,442	965,000	960,000
South Indian	450,440	512,196	506,398	551,270	582,050	457,500	—
Bombay, Baroda, and Central India	1,318,202	1,343,613	1,227,163	1,300,596	1,308,085	1,300,000	1,310,000
Great Indian Peninsula	3,654,192	3,971,652	3,984,601	4,208,148	3,701,990	3,891,200	3,950,000
Oudh and Rohilkhand	571,517	658,787	701,776	481,686	—	—	—
Scinde, Punjab, and Delhi	1,054,234	—	—	—	—	—	—
TOTAL	7,809,537	7,280,512	7,241,465	7,403,415	6,534,567	6,613,700	6,220,000
Working Expenses.							
Madras	439,380	504,611	513,922	498,676	536,576	510,000	540,000
South Indian	297,325	346,206	372,378	382,017	377,325	290,800	—
Bombay, Baroda, and Central India	543,498	562,972	520,158	559,640	559,210	550,000	550,000
Great Indian Peninsula	1,850,110	1,857,344	1,842,185	1,999,032	1,892,822	1,895,000	1,950,000
Oudh and Rohilkhand	367,053	362,263	356,152	313,242	—	—	—
Scinde, Punjab, and Delhi	587,096	—	—	—	—	—	—
TOTAL	4,084,462	3,633,396	3,604,795	3,752,607	3,365,933	3,245,800	3,040,000
Net Traffic Receipts.							
Madras	321,572	289,653	307,605	363,039	405,866	455,000	420,000
South Indian	153,115	165,990	134,020	169,253	204,725	166,700	—
Bombay, Baroda, and Central India	774,704	780,641	707,005	740,956	748,875	750,000	760,000
Great Indian Peninsula	1,804,082	2,114,308	2,142,416	2,209,116	1,809,168	1,996,200	2,000,000
Oudh and Rohilkhand	204,464	296,524	345,624	168,444	—	—	—
Scinde, Punjab, and Delhi	467,138	—	—	—	—	—	—
TOTAL	3,725,075	3,647,116	3,636,670	3,650,808	3,168,634	3,367,900	3,180,000
STATE RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	6,966	7,227	8,081	8,979	(*a*) 10,407	11,054	(*b*) 12,728
Gross Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	4,703,587	4,707,202	4,603,216	4,471,119	4,474,030	4,370,300	4,450,300
Dildarnagar-Ghazipur	4,650	4,738	4,833	4,604			
Rajputana-Malwa	1,760,842	1,818,351	1,698,296	1,903,833	1,938,223	1,830,000	1,880,000
Sindia	39,408	39,183	45,739	37,080	7,108	—	—
Bhopal	2,643	3,505	4,976	5,512	7,916	8,500	10,300
Warora Colliery	64,820	74,742	78,021	88,442	82,187	92,500	61,000
Wardha Coal							25,000
Bengal-Nagpur	147,349	131,760	137,477	163,517	218,157	320,000	450,000
Katni-Umaria	—	3,326	8,125	—	—	—	—
Umaria Colliery	2,224	6,373	11,447	17,822	26,403	34,000	37,500
Burma	233,585	291,663	331,041	314,241	348,338	380,000	382,500
Tounghoo-Mandalay	—	—	—	31,901	161,449	195,000	212,500
Jorhat	3,634	3,911	4,968	5,964	6,046	6,200	6,200
Cherra-Companygünj	—	226	1,220	620	1,235	1,900	2,000
Eastern Bengal	715,212	842,077	958,431	1,070,589	1,145,727	1,215,000	1,150,000
Tirhoot	128,026	159,921	180,506	170,854	211,182	69,700	—
Bengal and North Western and Tirhoot	—	—	—	—	—	337,500	510,000
Nalhati	7,880	8,654	9,405	10,459	10,444	9,800	10,000
Patna-Gya	51,750	53,645	52,887	49,395	52,151	51,700	52,500
Bengal Central	54,129	34,575	75,538	72,389	72,991	73,000	75,000
Oudh and Rohilkhand	—	—	—	174,788	784,746	725,000	780,000
Benares Branch	—	—	175	700			
Indian Midland	—	9,234	30,563	108,154	314,730	325,000	380,000
Bareilly-Pilibhit	8,393	10,126	9,558	9,350	10,985	12,000	—
Lucknow-Sitapur-Seramau	—	1,656	18,305	25,428	31,888	33,900	—
Lucknow-Sitapur-Bareilly	—	—	—	—	—	13,000	52,500
North Western	1,808,224	2,373,245	2,188,185	2,573,190	2,905 416	2,700,000	2,750,000
Amritsar-Pathankot	28,985	7,320	7,350	8,738	10,154	11,200	11,200
South Indian	—	—	—	—	—	150,000	
Villupuram-Guntakal	—	—	—	—	—	1,900	712,500
Villupuram-Guntakal—Nellore Branch	—	—	4,845	23,566	25,454	24,200	
Bellary-Kistna	—	—	6,181	—	—	—	—
Mysore	—	37,401	51,481	59,014	101,156	125,000	130,000
Bezvada Extension	—	—	—	—	7,667	7,400	8,000
Dhond and Manmad ‖	22,062	23,376	22,734	25,545	24,943	26,100	26,000
Southern Mahratta	102,818	182,317	326,423	399,806	407,133	455,000	495,000
TOTAL	9,890,211	10,829,027	10,871,926	11,827,120	13,387,864	13,604,800	14,660,000

* The Scinde, Punjab, and Delhi Railway, 691 miles, was purchased by the State on 1st January 1886, and the mileage is shown under State Railways.
† The Bellary Branch of the Madras Railway, 33 miles in length, having been transferred to the Southern Mahratta Railway, the mileage is shown under State Railways.
‡ The Oude and Rohilkund Railway, 692 miles, was purchased by the State on 1st January 1889, and the mileage is shown under State Railways.
§ The South Indian Railway, 654½ miles, was purchased by the State on the 31st December 1890, and the mileage is shown under State Railways.
‖ The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.
(*a*) Includes the length of the Oudh and Rohilkhand Railway.
(*b*) Includes the length of the South Indian and Bengal and North Western Railways.

APPENDIX III.—*continued.*

TABLE VIII.—RECEIPTS AND EXPENSES OF RAILWAYS, &c.—*continued.*

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.	1891-92.
STATE RAILWAYS—*continued.*							
Working Expenses.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	1,882,269	1,721,762	1,662,581	1,689,946	1,682,537	1,485,000	1,560,000
Dildarnagar-Ghazipur	2,436	2,461	2,245	2,195			
Rajputana-Malwa	976,460	980,031	907,154	970,424	1,020,867	942,500	985,000
Sindia	19,440	19,472	21,322	17,703	3,372	- -	14,500
Bhopal	3,731	2,556	4,457	4,977	8,458	10,800	9,800
Warora Colliery	51,594	59,627	68,028	61,323	57,343	64,000	45,000
Wardha Coal							14,000
Bengal-Nagpur	94,705	80,370	86,760	127,058	147,176	250,000	295,000
Katni-Umaria	- -	2,588	9,600	—	—	—	—
Umaria Colliery	9,265	8,149	2,634	20,363	22,418	23,500	25,500
Burma	174,769	173,250	175,841	189,876	204,756	212,000	220,000
Tounghoo-Mandalay	- -	- -	- -	32,545	120,702	105,500	115,000
Jorhat	4,229	5,376	6,441	5,707	6,231	5,700	5,600
Cherra-Companygunj	- -	2,361	3,716	2,116	2,672	1,900	2,000
Eastern Bengal	477,148	507,854	481,139	490,105	510,317	535,000	517,500
Tirhoot	91,558	98,583	106,156	96,254	90,553	31,100	—
Bengal and North Western and Tirhoot	- -	- -	- -	- -	- -	190,000	350,000
Nalhati	6,678	6,711	6,192	8,541	7,594	7,600	8,600
Patna-Gya	27,179	27,898	24,613	23,786	25,395	24,400	24,700
Bengal Central	54,713	43,351	67,611	51,147	45,648	51,200	53,500
Oudh and Rohilkhand	- -	- -	- -	54,558	343,935	350,000	360,000
Benares Branch	- -	- -	69	80			
Indian Midland	- -	8,199	20,093	69,512	234,086	257,500	270,000
Bareilly-Pilibhit	6,113	7,675	6,766	6,592	7,300	8,000	—
Lucknow-Sitapur-Seraman	- -	1,207	14,998	18,153	21,266	23,400	—
Lucknow-Sitapur-Bareilly	- -	- -	- -	- -	- -	7,500	30,500
North Western	845,651	1,316,888	1,633,529	1,742,526	1,856,235	1,725,000	1,780,000
Amritsar-Pathankot	24,171	— 2,218	—	—	—	—	—
South Indian	- -	- -	- -	- -	- -	95,000	
Villupuram-Guntakal	- -	- -	- -	- -	- -	1,300	482,500
Villupuram-Guntakal—Nellore Branch	- -	- -	9,154	27,060	18,369	17,200	
Bellary-Kistna	- -	- -	8,519	—	—	—	—
Mysore	- -	20,144	42,426	47,744	90,598	99,000	100,000
Bezvada Extension	- -	- -	- -	- -	6,083	5,500	5,500
Dhond and Manmad*	—	—	—	—	—	—	—
Southern Mahratta	81,302	125,596	222,138	298,965	330,529	332,500	380,000
TOTAL	4,833,411	5,219,889	5,594,187	6,059,256	6,864,440	6,862,100	7,654,200
Net Traffic Receipts.							
East Indian	2,821,318	2,985,440	2,940,635	2,781,173	2,791,493	2,885,300	2,890,300
Dildarnagar-Ghazipur	2,214	2,277	2,588	2,409			
Rajputana-Malwa	784,382	838,320	791,142	933,409	917,356	887,500	895,000
Sindia	19,968	19,711	24,417	19,377	3,736	- -	— 14,500
Bhopal	— 1,088	949	519	535	— 542	— 2,300	500
Warora Colliery	13,226	15,115	9,993	27,119	24,844	28,500	16,000
Wardha Coal							11,000
Bengal-Nagpur	52,644	51,390	50,717	36,459	70,981	70,000	155,000
Katni-Umaria	- -	738	— 1,475	—	—	—	—
Umaria Colliery	— 7,041	— 1,276	8,813	— 2,541	3,990	10,500	12,000
Burma	58,816	118,413	155,200	124,365	143,582	168,000	162,500
Tounghoo-Mandalay	- -	- -	- -	— 644	40,747	89,500	97,500
Jorhat	— 605	— 1,465	— 1,473	257	— 185	500	600
Cherra-Companygunj	- -	— 2,135	— 2,496	— 1,496	— 1,437	—	—
Eastern Bengal	238,064	334,223	477,292	580,484	635,410	680,000	632,500
Tirhoot	36,468	61,338	74,350	74,600	120,629	38,600	—
Bengal and North Western and Tirhoot	- -	- -	- -	- -	- -	147,500	160,000
Nalhati	1,202	1,943	3,213	1,918	2,850	2,200	1,400
Patna-Gya	24,571	25,747	28,274	26,109	26,756	27,300	27,800
Bengal Central	— 584	— 8,776	7,927	21,242	27,343	21,800	21,500
Oudh and Rohilkhand	- -	- -	- -	120,230	440,811	375,000	420,000
Benares Branch	- -	- -	106	620			
Indian Midland	- -	1,035	10,465	38,642	80,644	67,500	110,000
Bareilly-Pilibhit	2,280	2,451	2,792	2,758	3,685	4,000	—
Lucknow-Sitapur-Seraman	- -	449	3,307	7,275	10,622	10,500	—
Lucknow-Sitapur-Bareilly	- -	- -	- -	- -	- -	5,500	22,000
North Western	962,573	1,056,359	554,656	830,664	1,049,181	975,000	970,000
Amritsar-Pathankot	4,814	9,538	7,350	8,738	10,154	11,200	11,200
South Indian	- -	- -	- -	- -	- -	55,000	
Villupuram-Guntakal	- -	- -	- -	- -	- -	600	230,000
Villupuram-Guntakal—Nellore Branch	- -	- -	— 4,309	— 3,494	7,085	7,000	
Bellary-Kistna	- -	- -	— 2,338	—	—	—	—
Mysore	- -	17,257	9,055	11,270	10,558	26,000	30,000
Bezvada Extension	- -	- -	- -	- -	1,584	1,900	2,500
Dhond and Manmad*	22,062	23,376	22,734	25,545	24,943	26,100	26,000
Southern Mahratta	21,516	56,721	104,285	100,841	76,604	122,500	115,000
TOTAL	5,056,800	5,609,138	5,277,739	5,767,864	6,523,424	6,742,700	7,005,800

* The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.

APPENDIX III.—*continued.*

TABLE IX.—GROSS RECEIPTS, WORKING EXPENSES, and NET EARNINGS of IRRIGATION—MAJOR WORKS, for Five Years ending 1889-90, with REVISED ESTIMATE for 1890-91, and BUDGET ESTIMATE for 1891-92.

	ACTUALS.					Revised Estimate,	Budget Estimate,
	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.	1891-92.
DIRECT RECEIPTS:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Orissa Canals	20,735	17,961	22,304	24,351	30,422	31,900	32,400
Midnapore Canal	26,249	23,419	23,438	25,180	27,761	24,800	24,200
Hidgellee Tidal Canal	5,245	5,440	4,186	5,517	4,195	4,500	4,000
Sone Canals	106,264	91,843	60,395	84,389	89,750	73,200	81,300
Ganges Canal	194,967	220,926	197,254	213,014	199,141	251,500	225,900
Lower Ganges Canal	135,688	105,666	106,614	123,382	133,309	145,000	135,100
Agra Canal	46,689	61,338	48,148	46,622	56,566	61,000	58,400
Eastern Jumna Canal	61,034	69,864	70,305	71,154	63,514	83,500	73,400
Betwa Canal	- -	2,070	3,057	7,313	7,585	7,800	7,800
Western Jumna Canal	82,635	83,898	135,366	90,170	113,116	156,100	135,000
Chenab Canal	- -	- -	25	3,768	7,711	8,500	10,000
Bari Doab Canal	118,887	129,138	126,141	139,232	139,663	144,000	144,000
Sirhind Canal	13,467	35,491	69,900	113,233	133,917	167,500	170,000
Swat River Canal	25	2,672	10,326	22,753	24,941	24,000	23,000
Godavari Delta System	10,738	10,601	12,431	10,653	11,492	10,700	10,700
Kistna Delta System	3,522	3,791	4,394	4,669	4,502	4,600	4,600
Sangam Anicut System	- -	- -	86	142	91	200	100
Desert Canal	2,158	3,735	3,697	7,037	5,193	4,300	4,700
Begari Canal	3,131	4,544	2,549	5,097	4,404	3,100	3,600
Eastern Nara Works	1,872	1,772	1,599	1,681	1,753	2,000	2,000
Mutha Canals	15,055	18,340	18,958	21,640	20,625	19,400	21,500
Nira Canal	24	274	768	1,029	2,756	3,200	6,100
Other projects	16,388	17,041	29,020	39,776	50,177	40,700	45,900
TOTAL	864,773	909,824	950,961	1,061,802	1,132,584	1,271,500	1,223,700
PORTION OF LAND REVENUE DUE TO IRRIGATION:							
Ganges Canal	44,301	44,301	44,301	44,301	54,731	65,200	65,200
Lower Ganges Canal	20,783	20,783	20,783	20,959	20,959	21,000	21,000
Eastern Jumna Canal	22,153	22,153	22,154	22,153	22,153	22,100	22,100
Western Jumna Canal	5,833	5,832	5,140	5,275	4,737	2,200	—
Bari Doab Canal	34,250	60,497	37,526	40,469	42,467	44,000	43,000
Godavari Delta System	173,695	178,140	183.853	195,920	200,371	207,200	212,400
Kistna Delta System	110,592	113,667	132,273	142.362	150,618	157,100	162,800
Sangam Anicut System	3,970	5,824	8,041	8,541	12,000	13,900	16,400
Desert Canal	9,389	6,072	8,254	11,030	13,120	15,000	15,000
Begari Canal	23,651	19,377	19,391	25,223	22,498	20,900	24,400
Eastern Nara Works	19,039	22,753	28,020	34,586	42,908	52,200	54,200
Mutha Canals	*—345*	*—476*	*—468*	*—562*	*—538*	—	—
Nira Canal	- -	*—6*	*—31*	*—44*	*—128*	—	—
Other projects	95,296	98,552	93,318	120,828	103,870	100,100	119,700
TOTAL	562,607	597,469	602,555	671,041	689,766	720,900	756,200
TOTAL REVENUE:							
Orissa Canals	20,735	17,961	22,304	24,351	30,422	31,900	32,400
Midnapore Canal	26,249	23,419	23,438	25,180	27,761	24,800	24,200
Hidgellee Tidal Canal	5,245	5,440	4,186	5,517	4,195	4,500	4,000
Sone Canals	106,264	91,843	60,395	84,389	89,750	73,200	81,300
Ganges Canal	239,268	265,227	241,555	257,315	253,872	316,700	291,100
Lower Ganges Canal	156,471	126,449	127,397	144,341	154,268	166,000	156,100
Agra Canal	46,689	61,338	48,148	46,622	56,566	61,000	58,400
Eastern Jumna Canal	83,187	92,017	92,459	93,307	85,667	105,600	95,500
Betwa Canal	- -	2,070	3,057	7,313	7,585	7,800	7,800
Western Jumna Canal	88,468	89,730	140,506	95,445	117,853	158,300	135,000
Chenab Canal	- -	- -	25	3,768	7,711	8,500	10,000
Bari Doab Canal	153,137	189,635	163,667	179,701	182,130	188,000	187,000
Sirhind Canal	13,467	35,491	69,900	113,233	133,917	167,500	170,000
Swat River Canal	25	2,672	10,326	22,753	24,941	24,000	23,000
Godavari Delta System	184,433	188,741	196,284	206,573	211,863	217,900	223,100
Kistna Delta System	114,114	117,458	136,667	147,031	155,120	161,700	167,400
Sangam Anicut System	3,970	5,824	8,127	8,683	12,091	14,100	16,500
Desert Canal	11,547	9,807	11,951	18,067	18,313	19,300	19,700
Begari Canal	26,782	23,921	21,940	30,320	26,902	24,000	28,000
Eastern Nara Works	20,911	24,525	29,619	36,267	44,661	54,200	56,200
Mutha Canals	14,710	17,864	18,490	21,078	20,087	19,400	21,500
Nira Canal	24	268	737	985	2,628	3,200	6,100
Other projects	111,684	115,593	122,338	160,604	154,047	140,800	165,600
TOTAL	1,427,380	1,507,293	1,553,516	1,732,843	1,822,350	1,992,400	1,979,900

APPENDIX III.—*continued.*

TABLE IX.—GROSS RECEIPTS, WORKING EXPENSES and Net Earnings of Irrigation, &c.—*continued.*

	ACTUALS.					Revised Estimate,	Budget Estimate,
	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.	1891-92.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
WORKING EXPENSES:							
Orissa Canals	34,258	50,193	48,131	38,717	43,170	42,600	42,800
Midnapore Canal	20,985	22,637	24,007	20,035	20,067	21,600	22,400
Hidgellee Tidal Canal	4,862	2,284	6,490	7,535	2,572	4,500	4,600
Sone Canals	55,237	58,146	71,731	75,522	69,747	68,300	72,100
Ganges Canal	86,026	85,535	88,300	91,931	95,789	96,200	92,700
Lower Ganges Canal	81,327	79,186	86,397	96,850	90,792	91,800	93,100
Agra Canal	26,313	28,337	24,478	24,113	25,975	24,900	22,600
Eastern Jumna Canal	18,128	20,562	19,266	25,467	24,718	27,200	27,900
Betwa Canal	208	6,995	8,295	10,444	10,721	10,100	10,000
Western Jumna Canal	47,834	48,869	55,527	47,536	47,917	54,500	50,000
Chenab Canal	- -	- -	5,733	7,835	9,823	8,800	15,000
Bari Doab Canal	52,014	55,781	49,665	56,561	56,970	54,500	65,000
Sirhind Canal	21,276	23,071	34,537	53,647	60,404	61,500	60,000
Swat River Canal	2,372	5,243	8,375	8,745	9,221	10,000	10,000
Godavari Delta System	56,486	48,594	51,680	52,221	46,792	54,500	46,200
Kistna Delta System	29,413	32,514	32,663	32,299	36,552	36,300	38,300
Sangam Anicut System	468	2,577	4,369	4,170	4,830	5,300	6,900
Desert Canal	2,848	4,075	4,041	2,718	3,690	4,000	2,900
Begari Canal	5,042	5,300	6,126	6,452	7,583	4,600	6,100
Eastern Nara Works	6,467	6,443	5,474	8,393	8,266	8,600	7,400
Mutha Canals	6,120	6,838	6,034	6,246	7,712	7,000	6,800
Nira Canal	1,256	1,822	1,673	1,716	2,466	3,000	4,700
Other projects	34,210	31,771	34,615	42,523	41,781	47,700	46,200
TOTAL	593,150	626,773	677,607	721,676	727,558	747,500	753,700
NET REVENUE:							
Orissa Canals	*—13,523*	*—32,232*	*—25,827*	*—14,366*	*—12,748*	*—10,700*	*—10,400*
Midnapore Canal	5,264	782	*—569*	5,145	7,694	3,200	1,800
Hidgellee Tidal Canal	383	3,156	*—2,304*	*—2,018*	1,623	—	*—600*
Sone Canals	51,027	33,697	*—11,336*	8,867	20,003	4,900	9,200
Ganges Canal	153,242	179,692	153,255	165,384	158,083	220,500	198,400
Lower Ganges Canal	75,144	47,263	41,000*	47,491	63,476	74,200	63,000
Agra Canal	20,376	33,001	23,670	22,509	30,591	36,100	35,800
Eastern Jumna Canal	65,059	71,455	73,193	67,840	60,949	78,400	67,600
Betwa Canal	*—208*	*—4,925*	*—5,238*	*—3,131*	*—3,136*	*—2,300*	*—2,200*
Western Jumna Canal	40,634	40,861	84,979	47,909	69,936	103,800	85,000
Chenab Canal	- -	- -	*—5,708*	*—4,067*	*—2,112*	*—300*	*—5,000*
Bari Doab Canal	101,123	133,854	114,002	123,140	125,160	133,500	122,000
Sirhind Canal	*—7,809*	12,420	35,363	59,586	73,513	106,000	110,000
Swat River Canal	*—2,347*	*—2,571*	1,951	14,008	15,720	14,000	13,000
Godavari Delta System	127,947	140,147	144,604	154,352	165,071	163,400	176,900
Kistna Delta System	84,701	84,944	104,004	114,732	118,568	125,400	129,100
Sangam Anicut System	3,502	3,247	3,758	4,513	7,261	8,800	9,600
Desert Canal	8,699	5,732	7,910	15,349	14,623	15,300	16,800
Begari Canal	21,740	18,621	15,814	23,868	19,319	19,400	21,900
Eastern Nara Works	14,444	18,082	24,145	27,874	36,395	45,600	48,800
Mutha Canals	8,590	11,026	12,456	14,832	12,375	12,400	14,700
Nira Canal	*—1,232*	*—1,554*	*—936*	*—731*	162	200	1,400
Other projects	77,474	83,822	87,723	118,081	112,266	93,100	119,400
TOTAL	834,230	880,520	875,909	1,011,167	1,094,792	1,244,900	1,226,200

APPENDIX III.—*continued.*

CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDISED RAILWAYS.

TABLE X.—ABSTRACT of BUDGET ESTIMATES of CAPITAL TRANSACTIONS of GUARANTEED and SUBSIDISED RAILWAYS, 1890-91 and 1891-92.

RAILWAYS.	AMOUNT IN RUPEES.			AMOUNT OF EXCHANGE.			AMOUNT IN POUNDS STERLING.		
	1890-91.		Budget, 1891-92.	1890-91.		Budget, 1891-92.	1890-91.		Budget, 1891-92.
	Budget.	Revised.		Budget.	Revised.		Budget.	Revised.	
GUARANTEED RAILWAYS.									
RECEIPTS.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	£.	£.	£.
Madras	23,00,000	19,50,000	23,00,000	1,92,000	1,63,000	1,92,000	210,800	178,700	210,000
South Indian	16,50,000	19,90,000	- -	69,000	83,000	- -	158,100	190,700	—
Bombay, Baroda, and Central India	24,00,000	29,00,000	25,50,000	2,00,000	2,42,000	2,12,000	220,000	265,800	233,800
Great Indian Peninsula	70,00,000	73,50,000	68,00,000	5,83,000	6,13,000	5,67,000	641,700	673,700	623,300
TOTAL	1,33,50,000	1,41,90,000	1,16,50,000	10,44,000	11,01,000	9,71,000	1,230,600	1,308,900	1,067,900
ADVANCES.									
Madras	19,50,000	21,00,000	22,00,000	1,63,000	1,75,000	1,84,000	178,700	192,500	201,600
South Indian	9,50,000	10,90,000	- -	40,000	45,000	- -	91,000	104,500	—
Bombay, Baroda, and Central India	14,75,000	15,00,000	15,00,000	1,23,000	1,25,000	1,25,000	135,200	137,500	137,500
Great Indian Peninsula	50,00,000	44,00,000	45,00,000	4,17,000	3,67,000	3,75,000	458,300	403,300	412,500
TOTAL	93,75,000	90,90,000	82,00,000	7,43,000	7,12,000	6,84,000	863,200	837,800	751,600
NET RECEIPTS.									
Madras	3,50,000	—1,50,000	1,00,000	29,000	—12,000	8,000	32,100	—13,800	9,200
South Indian	7,00,000	9,00,000	- -	29,000	38,000	- -	67,100	86,200	—
Bombay, Baroda, and Central India	9,25,000	14,00,000	10,50,000	77,000	1,17,000	87,000	84,800	128,300	96,300
Great Indian Peninsula	20,00,000	29,50,000	23,00,000	1,66,000	2,46,000	1,92,000	183,400	270,400	210,800
TOTAL	39,75,000	51,00,000	34,50,000	3,01,000	3,89,000	2,87,000	367,400	471,100	316,300
SUBSIDISED RAILWAYS.									
RECEIPTS.									
Capital received in India:									
Nilgiri Railway	- -	2,00,000	14,00,000	- -	- -	- -	- -	20,000	1,40,000
Gain on Remittances to India:									
Southern Mahratta	- -	- -	- -	93,000	39,000	38,000	—9,300	—3,900	—3,800
Mysore	- -	- -	- -	12,000	- -	- -	—1,200	—	—
Indian Midland	- -	- -	- -	3,80,000	1,66,000	1,07,000	—38,000	—16,600	—10,700
Bengal Central	- -	- -	- -	900	500	800	—90	—50	—80
Bengal-Nagpur	- -	- -	- -	8,98,000	1,21,000	1,96,000	—89,800	—12,100	—19,600
Lucknow-Sitapur-Bareilly	- -	- -	- -	- -	24,800	21,600	- -	—2,480	—2,160
TOTAL	- -	2,00,000	14,00,000	13,83,900	3,51,300	3,63,400	—138,390	—15,130	103,660
WITHDRAWALS.									
Southern Mahratta	13,31,000	7,00,000	5,00,000	2,21,830	1,17,000	83,000	110,917	58,300	41,700
Mysore	6,23,000	5,00,000	7,38,000	1,55,750	1,25,000	1,84,500	46,725	37,500	55,350
Indian Midland	20,17,000	19,62,000	14,50,000	4,03,400	3,92,500	2,90,000	161,360	156,950	116,000
Bengal Central	3,50,000	1,89,000	3,49,000	1,00,000	54,000	1,00,000	25,000	13,500	24,900
Bengal-Nagpur	92,65,000	80,00,000	24,65,000	21,38,000	18,46,000	5,69,000	712,700	615,400	189,600
Lucknow-Sitapur-Bareilly	8,50,000	15,57,000	4,57,000	2,55,000	3,12,000	91,000	59,500	124,500	36,600
Nilgiri Railway	- -	50,000	14,00,000	- -	- -	- -	- -	5,000	140,000
TOTAL	1,44,36,000	1,29,58,000	73,59,000	32,73,980	28,46,500	13,17,500	1,116,202	1,011,150	604,150
Net Withdrawals	1,44,36,000	1,27,58,000	59,59,000	18,90,080	24,95,200	9,54,100	1,254,592	1,026,280	500,490
GUARANTEED AND SUBSIDISED RAILWAYS.									
Net Withdrawals	1,04,61,000	76,58,000	25,09,000	15,89,080	21,06,200	6,67,100	887,192	555,180	184,190

RETURN.

EAST INDIA (FINANCIAL STATEMENT, 1892-93).

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RETURN to an Address of the Honourable The House of Commons, dated 13 May 1892;—*for,*

COPY

OF THE

EAST INDIAN FINANCIAL STATEMENT

For 1892-93.

India Office,
16 May 1892.

GEORGE N. CURZON,
Under Secretary of State for India.

(Sir Richard Temple.)

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FINANCIAL STATEMENT FOR 1892-93.

CONTENTS.

PART I.

IMPERIAL REVENUE AND EXPENDITURE.

	PARA.	PAGE.
Preliminary	1	5
I. Accounts of 1890-91	3	5
II. Revised Estimate of 1891-92	5	6
III. Budget Estimate of 1892-93	19	9
IV. Prospects of the immediate Future	32	12

PART II.

IMPERIAL, PROVINCIAL, AND LOCAL REVENUE AND EXPENDITURE.

I. Accounts of 1890-91	37	13
II. Revised Estimate of 1891-92	43	14
III. Budget Estimate of 1892-93	56	18
IV. Examination of the Estimates under the more Important Heads of Revenue and Expenditure—		
Land Revenue	67	21
Opium	68	22
Salt	69	22
Stamps	70	23
Excise	71	23
Customs	72	23
Assessed Taxes	73	24
Forest	74	24
Interest	75	24
Post Office	76	25
Telegraph	77	26
Mint	78	26
Civil Departments	79	27
Miscellaneous Civil Charges	80	28
Famine Relief and Insurance	81	29
Railways	82	30
Irrigation	83	31
Buildings and Roads	84	32
Army	85	33
Special Defence Works	86	33
Upper Burma	87	33

	PARA.	PAGE
V. Expenditure not charged to Revenue - - - - - -	88	34
VI. Revision of the Provincial Contracts - - - - -	90	36
VII. Ways and Means—Home Treasury - - - - - -	99	39
„ „ India - - - - - - - - -	102	42
VIII. Summary - - - - - - - - - - - -	107	44

APPENDIX I.

ACCOUNTS AND ESTIMATES:

	PAGE.
General Statement of the Accounts and Estimates of the Revenue and Expenditure and Receipts and Disbursements of the Government of India, in India and in England - - - - - - - - -	48
A.—Statement of the Revenue of India, in India and in England - -	50
B.—Statement of the Expenditure chargeable on the Revenues of India, in India and in England - - - - - - - - - -	52
C.—Statement of Receipts and Disbursements of the Government of India, in India and in England - - - - - - - - - -	56
D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Contracts - - - - - - - - - - - -	58
E.—Statement of Net Revenue and Expenditure—India and England -	60

APPENDIX II.

RESOLUTION REGARDING THE POWERS OF LOCAL GOVERNMENTS UNDER THE SCHEME OF PROVINCIAL FINANCE - - - - - - - - 63

COPY OF THE EAST INDIAN FINANCIAL STATEMENT FOR 1892-93.

FINANCIAL STATEMENT FOR 1892-93.

PART I.

IMPERIAL REVENUE AND EXPENDITURE.

PRELIMINARY.

Part I of the Financial Statement of 1892-93 deals with Imperial Revenue and Expenditure only.

The object of dealing with Imperial Revenue and Expenditure in a separate section of the Statement is to render it possible to present in brief compass an intelligible outline of the financial position of the Government of India.

Those who wish for further information regarding Imperial, Provincial, or Local Finance will find it in Part II.

2. The financial transactions of the Government of India will, as usual, be considered under the following heads :—

(1.) The accounts of the financial year 1890-91, which have been finally closed ;

(2.) The Revised Estimate of the financial year 1891-92, which ends on 31st instant ;

(3.) The Budget Estimate of the coming year—1892-93.

SECTION I.—ACCOUNTS OF 1890-91.

3. The Budget Estimate of 1890-91 showed a surplus of Rx. 270,400.

The Revised Estimate of the same year, issued in March last, showed a surplus of Rx. 2,787,100, and it was said at the time that the Final Accounts would show a further improvement.

This expectation has been realised, and the Accounts of 1890-91 have closed with the very substantial surplus of Rx. 3,688,171.

Foremost among the causes which have contributed to the great surplus of 1890-91 must be placed the rise in Exchange which took place during the year. The average rate of the year was 1 *s.* 6·089 *d.* as against a Budget Estimate of 1 *s.* 4·55 *d.*, and fully one-half of the total surplus was due to this cause alone.

The total Imperial Revenue received in India proved to be almost the same as in the Budget Estimate, for, though there was a fairly satisfactory growth of general Revenue during the year, it was largely counterbalanced by some falling off in Opium Revenue, and by other reductions of income which I need not specify in detail.

In expenditure incurred in India the Accounts show an improvement over the Budget of Rx. 808,356, due mainly to reduction of Expenditure in the Railway Account (Rx. 481,850), short Expenditure on Special Defences (Rx. 173,402), and a poor opium crop (Rx. 123,620).

In England there was an improvement in Revenue of 146,509 *l.*, due to special causes, and a reduction in Expenditure of 350,925 *l.*, of which 141,230 *l.* was under Special Defences, and 179,975 *l.* was under Army, and was due to short supply of magazine rifles. In both cases, therefore, the saving was a mere postponement of a charge which must be incurred sooner or later.

4. I have dwelt upon the facts stated in the preceding paragraphs, in order to make it clear that the large surplus of 1890-91 did not indicate what may be called the permanent financial position of the Government of India at the close of that year; and I think it necessary to do so because it has been urged in some quarters that, with so large a surplus, the Government of India should have reduced taxation or undertaken other fiscal reforms of an important nature.

The surplus of 1890-91 was not a surplus which could be expected to recur in future years. The rise in Exchange, which gave half that surplus, has been lost, and a further fall has taken place which adds at least Rx. 700,000 more to the expenditure of the Government of India. The special receipts of 1890-91 affected only the income of that year, and the temporary saving arising from a poor opium crop, and from short expenditure on Special Defences, and on the purchase of magazine rifles, did not indicate any improvement in the financial position.

Section II.—REVISED ESTIMATE of 1891-92.

5. From what I have just said it will be understood that no important remission of taxation or other great fiscal reform involving a serious sacrifice of Revenue was possible in the Financial Statement of 1891-92. Exchange was taken for 1891-92 at 1 *s.* 5¼ *d.* the rupee, and the Government of India were able to show a small surplus of Rx. 115,600 in the Budget Estimate, after setting aside an additional sum of Rx. 448,000 in order to raise the Famine Grant to the full amount of Rx. 1,500,000.

The Revised Estimate for 1891-92 now shows a deficit of Rx. 80,000, as against the surplus of Rx. 115,600 shown in the Budget Estimate; and, though no doubt the Final Accounts will show an improvement, and it is more than probable that we shall yet secure equilibrium, it is clear that, if any considerable remission of taxation had been made last year, the Government of India would now have had to face a serious deficit. In comparison with the total Revenue and total Expenditure, the difference between a surplus of Rx. 115,600 and a deficit of Rx. 80,000 is of little importance, as in both cases practical equilibrium between Revenue and Expenditure is secured. But, although the Revised Estimate gives almost the same net result as the Budget Estimate, the year 1891-92 is remarkable, even in Indian finance, for the wide departures from the figures of the Budget Estimate that have occurred under particular heads.

6. In explaining how an estimated surplus of Rx. 115,600 has been converted into a deficit of Rx. 80,000, it will be convenient to take net figures for Opium and under the Railway Revenue Account, and for Army; that is, in the case of Opium, Expenditure will be deducted from Revenue and only net Revenue shown, and in the case of Railways and Army I shall deduct Receipts from Expenditure and show only net Expenditure. Other Heads of Revenue and Expenditure will be taken gross.

In dealing with each head of the Accounts I shall also, as far as possible, exclude variations due to Exchange, and I shall show Exchange as a separate item of the Account.

7. Among the favourable influences of the year, the foremost place must be assigned to the increase of Railway Traffic, and consequently of net Revenue from Railways. In the budget it was estimated that under the Imperial portion of the Railway Revenue Account there would be a net receipt of Rx. 6,071,600 in India, and a net Expenditure of 5,689,800 *l.* in England. The corresponding figures of the Revised Estimate are Rx. 7,394,000 and 5,652,000 *l.*, showing improvements of Rx. 1,322,400 and 37,800 *l.* respectively. These figures exclude the effect of the fall in Exchange, which, as I have said, will be dealt with separately. If the effect of the fall in Exchange on the Railway Revenue Account be taken into account, the total improvement is reduced to Rx. 1,122,400.

The

The increase of Revenue from Railways is largely due to increased exports of wheat and seeds. The following figures show the increase in the export of these articles that took place in the first 10 months of the present year as compared with past years :—

	Wheat. Cwt.	Seeds. Cwt.
1889-90 (10 months)	12,876,000	13,869,000
1890-91 („)	12,926,000	11,940,000
1891-92 („)	27,135,000	16,303,000

8. The net Revenue from Opium has increased by Rx. 821,500 *minus* 300 *l.*; this is not an unmixed gain, even from the financial point of view, as Rx. 388,800 of the increase is due to another short crop.

9. For some years we have been in the habit of expecting a steady increase of receipts every year under certain Principal Heads of Revenue, but, unfortunately, in the current year the important head of Land Revenue shows a falling-off, due to scarcity in certain Provinces; the Revenue under Salt, Stamps, and Excise, has, however, shown the usual rate of growth.

The falling-off in the Imperial share of Land Revenue comes to Rx, 657,000, though the total falling-off (Imperial, Provincial, and Local) is only Rx. 518,800. This somewhat singular result is due to the fact that adjustments between the Government of India and the various Local Governments are made through the medium of the Land Revenue Head. In the current year the Government of India have made certain payments to Bengal which were not provided for in the Budget, and which have had the effect of transferring Rx. 162,300 of Land Revenue from Imperial to Provincial. Similar payments, but of much smaller amounts, have also been made to other Provinces.

10. The Imperial share of the increases under Salt, Stamps, and Excise, is as follows :—

	Increase. Rx.
Salt	282,100
Stamps	21,100
Excise	104,700
TOTAL	Rx. 407,900

The increase of Revenue in England, excluding Army, Opium, and the Railway Revenue Account, in respect of which I take net figures, is 33,900 *l.*, and the increase of Revenue in India, excluding the heads in respect to which net figures are taken, and also Land Revenue, Salt, Stamps, Excise, which are dealt with separately, is Rx. 188,200. The head which chiefly contributes to this result being Telegraph, under which there is an increase of Rx. 137,800 in Indian receipts.

11. The total increase of Revenue in England and India may then be calculated as follows :—

	Rx.		£.
Railways (net)	1,322,400	*plus*	37,800
Opium (net)	821,500	*minus*	300
Salt	282,100		
Stamps	21,100		
Excise	104,700		
Other Heads, excluding Army and Land Revenue	188,200	*plus*	33,900
TOTAL	Rx. 2,740,000	*plus*	£. 71,400

Against this increase must be set a falling-off of Rx. 657,000 under Land Revenue. Deducting this amount from the figures just stated, the resulting improvement is Rx. 2,083,000, *plus* 71,400 *l.*

12. Of the unfavourable influences affecting the Indian finances during the current year, the chief was increased Expenditure under Army.

In the Budget the net Expenditure in India under Army was taken at Rx. 13,815,500, and in England at 4,625,500 *l.* These figures have been increased in the Revised Estimate by Rx. 1,095,500 and 123,100 *l.* respectively.

13. The increase of Military Expenditure in India was chiefly due to Frontier Expeditions, and to the sanction of certain measures considered necessary for the efficiency of the Army.

The Budget Estimate of 1891-92 provided Rx. 155,000 for Expeditions. During the year further Expenditure on Expeditions was sanctioned to the amount of Rx. 720,000 :—

	Rx.
Chin-Lushai Expedition - - - - - - -	50,000
Manipur Operations - - - - - - - -	300,000
Wunthoo Expedition - - - - - - - -	50,000
Hazara „ - - - - - - - -	60,000
Meranzai „ - - - - - - - -	140,000
Cold weather operations in Burma - - - -	120,000
TOTAL - - -	Rx. 720,000

It is characteristic of the uncertainties of Indian Finance that in last Financial Statement I should have called attention to what I then considered the high scale of Expenditure on Frontier Expeditions of Rx. 374,400 in 1888–89, of Rx. 421,000 in 1889–90, and of Rx. 352,600 in the Revised Estimate of 1890–91, and expressed a hope that Expenditure of this nature was about to fall off.

A grant of Rx. 80,000 was also sanctioned during the year for additional transport mules, and Rx. 52,100 for additional remounts and ordnance mules, while the Revised Estimate for 1891–92 provides Rx. 213,400 under Army for Expenditure in India on preparations to facilitate mobilization.

14. The excess in the Home Expenditure under Army is due to the payment of 211,000 *l.* not provided for in the Budget, being arrears and increase of effective charges on account of British Forces serving in India, reduced by savings under other heads.

15. Putting on one side the Expenditure under Opium, the Railway Account, and Army, in respect to which we have found it more convenient to deal with net figures, the increase of gross Expenditure shown in the Revised Estimate amounts to Rx. 222,200 in India, and 127,000 *l.* in England. With regard to the increase of Expenditure in India, I need only explain that it is the net result of a number of increases and decreases which individually are not of very great magnitude.

The chief increases are Rx. 51,700 under Political, Rx. 138,000 under Famine Relief and Insurance, Rx. 48,200 under Irrigation, Rx. 80,900 under Military Works, and Rx. 65,900 under Civil Works. And the chief decreases are Rx. 74,900 under Police, and Rx. 60,600 under Special Defences. These items of increase and decrease are explained in Part II., which, it should be recollected, deals with Provincial and Local Revenue and Expenditure as well as with Imperial Revenue and Expenditure.

In England the chief increase in Expenditure has been 232,000 *l.* under Interest, and the chief decrease 175,500 *l.* under Special Defences. The increase is due to the Secretary of State having issued India Stock at a discount, which has thrown a charge of 255,000 *l* on the Revenue of the year. The decrease under Special Defences is, as usual, a mere postponement of Expenditure.

16. Bringing together the whole of the items of Revenue and Expenditure with which I have just dealt, and still continuing to exclude Exchange, we get the following result :—

	Rx.		£.	Rx.		£.
Improvement shown in paragraph 11 - - -				2,083,000	*plus*	71,400
Deduct—						
Increased Expenditure under Army - - - -	1,095,500		123,100			
Increased Expenditure, excluding Expenditure under Opium, Railways, and Army - - -	222,200	*plus*	127,000			
				1,317,700	*plus*	250,100
Balance - - -				Rx. 765,300	*minus*	£.178,700

The

The sum of Rx. 765,300 in rupees very considerably exceeds 178,700 *l.* in sterling, and we thus see that, notwithstanding the great increase of Military Expenditure and the falling-off in Land Revenue, the Revised Estimate gives a result which shows a satisfactory improvement over the Budget Estimate if Exchange be excluded.

17. There now remains Exchange to be dealt with.

The increase of net Expenditure on this account is Rx. 782,200, partly due to increased Sterling Expenditure, but mainly to the average value of the rupee having proved to be 1 *s.* 4·713 *d.* instead of 1 *s.* 5¼ *d.*, the rate taken in the Budget Estimate.

Deducting from the increased expenditure under Exchange the figures at the end of the preceeding paragraph, we find the Revised Estimate to be worse than the Budget by Rx. 178,700* *plus* Rx. 16,900 (782,200 *minus* 765,300), or Rx. 195,600. As the Budget Estimate showed a surplus of Rx. 115,600, a deterioration of this magnitude brings out a deficit of Rx. 80,000, being Rx. 195,600 *minus* Rx. 115,600.

18. The whole case may then be stated briefly and with sufficient accuracy in the following manner:—

The Railway Revenue Account and Opium, Salt, Stamps, Excise, and other Heads of minor importance, have given an improvement in 1891–92 over the Budget Estimate of not much less than three crores of rupees.

Of this improvement 1¼ crores have been balanced by increased Military Expenditure; the fall in Exchange and reduction in Land Revenue account for nearly 1½ crores more, and increased Expenditure under Heads of minor importance in England and India is sufficient to do rather more than swallow up the remainder of the improvement, thus converting a surplus of Rx. 115,600 into a deficit of Rx. 80,000.

Section III.—BUDGET ESTIMATE of 1892-93.

19. In the Financial Statement for 1891–92, I made the following remarks:—

"So far as can be judged, our financial position during the next two years depends on two factors, Military Expenditure and Exchange. It is of great importance to the Indian finances that Exchange should not fall materially below the present rate for a year or two, that is, until we have experienced some relief from the heavy Military charges which we are now bearing. If Exchange falls materially within the next year or two, we may find ourselves in a difficult position, though I believe the difficulties would prove to be only temporary."

Since this passage was written Exchange has fallen heavily, and in the Budget Estimate for the coming year a rate of 1 *s.* 4 *d.* the rupee has been taken as against 1 *s.* 5¼ *d.* in the Budget Estimate of the current year. It would be a tedious process to calculate the exact loss due to this heavy fall, but for present purposes it will be sufficient to take it, in round figures, at Rx. 1,708,000. The sterling expenditure of the coming year is almost the same as the estimated sterling expenditure of 1891–92, and yet the *net* charge of the columns headed "Exchange" has increased by no less than Rx. 1,708,000.

On the other hand, there has been no reduction in total Military Expenditure, as the following figures will show:—

	Budget, 1891–92.		Budget, 1892–93.	
	Rx.	£.	Rx.	£.
Military Works (*net*)	1,075,400	8,200	1,084,100	38,400
Army (*net*)	13,815,500	4,625,500	14,325,000	4,556,300
Special Defences	360,000	350,000	270,900	229,100
Total	15,250,900	4,983,700	15,680,000	4,823,800

20. The

* On making the adjustment for Exchange, the sterling symbol (£) is changed to Rx.

20. The difficulty which I foresaw twelve months ago has, therefore, come upon us, and the problem of the Budget of 1892–93 has been the overcoming of that difficulty. If we have not succeeded in dealing with it in a wholly satisfactory manner, we have at least done better than could have been hoped this time last year, and the Budget Estimate of 1892–93 shows a surplus of Rx. 146,600.

21. In explaining how this result has been obtained, I shall take as starting point the Budget Estimate of 1891–92, and a comparison of the figures of that Estimate with the figures of the Estimate for 1892–93 will show how the loss of Rx. 1,708,000, due to the fall in Exchange from 1 *s.* 5¼ *d.* to 1 *s.* 4 *d.* has been covered, and equilibrium between Revenue and Expenditure secured.

22. In the first place I may say at once that in the comparatively small item of sterling receipts in England there is not much difference between the Budget of 1891–92 and the Budget of 1892–93, there being merely a reduction from 212,600 *l.* to 200,800 *l.*, or by 11,800 *l.*; as there is an increase of 2,100 *l.* in receipts under Army, the decrease, excluding Army, is 13,900 *l.*

23. Under principal heads of Revenue (excluding Opium) there is an increase of Revenue amounting to no less than Rx. 1,091,600. This large increase is due partly to substantial increases under Salt, Excise, and Forests, but above all to an increase of Rx. 673,800 under Land Revenue. The latter figure requires special explanation.

The current Provincial Contracts terminate on 31st March 1892. They have lately been revised and continued for another period of five years, and the revision has been made in such manner as to give the Government of India additional Revenue to the amount of Rx. 466,300 yearly, and, I regret to say, as a necessary consequence, to contract the resources of the Local Governments by an equal amount. It is no doubt satisfactory that Local Governments should have been in a position to make a contribution to the resources of the Empire at a period of pressure, and thus, possibly, avoid the necessity of imposing further taxation. But it would have been still more satisfactory if the Government of India had been in a position to allow them to retain the whole or the greater portion of this amount for expenditure on the improvement of the internal administration of the several Provinces of India. This adjustment in favour of the Government of India increases the Imperial share of the Land Revenue by Rx. 466,300. The amount so with drawn may seem large, but, as the total increase of Provincial Revenue during the last five years has been Rx. 2,042,700, it follows that the Government of India have now withdrawn only 23 per cent. of the increase of the last five years, leaving the remaining 77 per cent. for expenditure by Local Governments.

The Imperial share of Land Revenue in the coming year has also been increased by ordinary growth of revenue and by postponements of revenue collections from the current year in consequence of drought and scarcity. As has already been stated, the total increase of the Imperial share of Land Revenue due to all causes is Rx. 673,800.

24. Net Opium Revenue for 1892–93 is taken at Rx. 81,200 above the Budget Estimate for 1891–92; although the price of the drug has risen and the expenditure is expected to be somewhat less than the average, the short crops of recent years have told on the Opium Reserve, and the quantity to be sold has already been reduced by a Notification in the "Gazette of India" dated 26th June 1891.

25. The Receipts from Interest in India, less the corresponding Expenditure, have increased by Rx. 238,100; this very satisfactory result is due to our not having borrowed in recent years, and to the investment of another crore of the Paper Currency Reserve.

In England the charge for interest is reduced by 11,500 *l.*

26. The net Receipts in India from the Railway Revenue Account are estimated to increase by Rx. 606,700, while the increase of sterling expenditure in England under the same head is 51,800 *l.*

27. Excluding the Principal Heads of Revenue, Interest, and the Railway Revenue Account, with which we have already dealt, and also the Revenue under the Heads of Military Works and Army, with which I shall deal hereafter, there is an increase of Revenue in India, under various Heads, of Rx. 375,700.

Excluding

Excluding Expenditure under Interest, Opium, and the Railway Revenue Account, and Military Expenditure of all kinds (Military Works, Army, and Special Defences), there is an increase of Expenditure in India which amounts to Rx. 235,100, and in England of 95,700 *l.*

28. Net Military Expenditure of all kinds in India has increased by Rx. 429,100, of which Rx. 205,000 is due to the calculation of the pay of the British Soldier serving in India at a lower rate of Exchange. In England the net Expenditure under Military Works has increased by 30,200 *l.*, and decreased under Special Defences by 120,900 *l.*, and under Army by 69,200 *l.*, giving a net decrease of 159,900 *l.* in Military Expenditure of all kinds.

29. Bringing together the different items with which we have just dealt, we get the following result:—

Gain.	Rx.		£.
Revision of Provincial Contracts -	466,300		
Ordinary increase under Principal Heads of Revenue, excluding Opium - -	625,300		
Increase in net Opium Revenue - -	81,200	*minus*	100
Increase under the Railway Revenue Account - - - - - - -	606,700	*minus*	51,800
Improvement under Interest in India, net - - - - - - - -	238,100		
Reduction of Interest charge in England	—		11,500
Increase of Revenue under various Heads in India - - - -	375,700		
Reduction of net Military Expenditure in England (Military Works, Army, and Special Defences) - - -	—		159,900
Total - - - Rx.	2,393,300	*plus*	119,500

Loss.	Rx.		£.
Increase of net Military Expenditure in India - - - - - - -	429,100		
Reduction in sterling Receipts in England (excluding Military Receipts) - - - - - - - -	—		13,900
Increase of Expenditure under various Heads - - - - - - -	235,100	*plus*	95,700
Total - - - Rx.	664,200	*plus*	109,600

Deducting the loss from the gain, we get a net gain of Rx. 1,729,100 plus 9,900 *l.*

30. On the other side must be put the net loss by Exchange, which, as I have said, amounts to Rx. 1,708,000. It follows that the Budget Estimate of 1892-93 is better than that of 1891-92 by Rx. 21,100 (1,729,100—1,708,000) plus Rx. 9,900,* or Rx. 31,000 in all. As the surplus of the Budget Estimate of 1891-92 was Rx. 115,600, and as the Budget Estimate of the coming year is, on the whole, better by Rx. 31,000, the estimated surplus of 1892-93 is Rx. 146,600, being Rx. 115,600 plus Rx. 31,000.

31. The manner in which the very heavy charge of Rx. 1,708,000, which falls on the finances next year in connection with Exchange, has been met, may now be stated in a few words.

The additional charge of Rx. 1,708,000 on account of Exchange has been met almost entirely by contributions from Local Governments (Rx. 466,300), by increase of Revenue under Principal Heads (Rx. 625,300), and by growth of Railway Revenue (Rx. 606,700 *minus* 51,800 *l.*); there has also been a substantial improvement under Interest in India, owing to our having been able to avoid borrowing for some time, and to increase of the Paper Currency Investment by one crore of rupees.

Net Military Expenditure of all kinds is somewhat heavier, and net Opium Revenue is slightly better, for 1892-93 than for 1891-92, while the growth of Revenue under various Heads, not of the first importance, almost exactly balances the growth of other Expenditure in England and India.

* The sterling symbol (£) is altered to Rx. when the adjustment for Exchange is made.

SECTION IV.—PROSPECTS OF THE IMMEDIATE FUTURE.

32. In the financial Statements of the last three years I have dwelt at some length on the general financial position of Government as it presented itself to me at the time, and have endeavoured to indicate the prospects of the immediate future.

Thus, in the Financial Statement for 1889–90, after a series of years of deficit, I ventured to predict that our financial difficulties were, for the time, at an end. This forecast was amply justified, as the Accounts of the year 1889–90 gave a surplus of Rx. 2,612,000, though the sum of Rx. 460,255 had been set aside with a view to begin the restoration of the Famine Grant to its full amount of Rx. 1,500,000.

In the Financial Statement for the succeeding year, 1890–91, I looked forward to still further improvement, but expressed the opinion that 1890–91 was not likely to prove so prosperous, from a financial point of view, as 1889–90.

In point of fact, the Accounts of 1890–91 now show a larger suplus (Rx. 3,688,100) than that obtained in the preceding year; but the greater portion of this surplus was due to what has proved to be a speculative rise in Exchange and to other accidental causes, and all that can be said of 1890–91 is that it was a year of, on the whole, satisfactory financial progress.

33. As the result of two years' financial prosperity, the Government of India were able to restore the Famine Grant to its full amount of Rx. 1,500,000 in the Budget of 1891–92; but I pointed out that, while there were encouraging features in the position, there was also some danger of financial difficulties arising from a fall in Exchange taking place before Military Expenditure of a special character was reduced.

The difficulties to which I drew attention have actually come upon us, and we have had, besides, in the current year, a considerable loss of Land Revenue owing to drought and scarcity.

We should have had to face a heavy deficit in 1891–92, but for a remarkable increase in Railway Revenue, and considerable improvement under Opium. As it is, the Revised Estimate of 1891–92 shows a deficit of Rx. 80,000; but I have little doubt that improvement will yet take place, and that the Accounts of 1891–92 will close with a moderate surplus.

34. Although the three forecasts which I have ventured to make of the progress of Indian Revenue and Expenditure have, considering the nature of the subject, proved fairly accurate, I must admit that the result which I anticipated was sometimes not attained in the way I expected. For example, I had expected that the expenditure on Special Defences would, by this time, have come to an end, and this hope would have been fulfilled if the works could have been constructed and the armament provided as rapidly as the money was forthcoming. Unfortunately this has not proved to be the case, and the Estimates of the coming year are burdened with a charge of Rx. 614,500 on account of Special Defences, and a similar charge must be borne for another year or two. I could give other instances in which I have been disappointed, but what I have said is sufficient to show the necessity for caution in forecasts regarding Indian Revenue and Expenditure.

35. The circumstances of to-day are such as to make special caution necessary.

Exchange has fallen heavily and rapidly, and, though now steady, it is impossible to conjecture whether the next move will be upwards or downwards.

Railway receipts have largely increased in the current year, and for 1892–93 we have calculated on retaining a portion of this improvement; but no one can at present say whether Railway traffic is likely to be heavy or the reverse in 1892–93.

The price of Opium, after falling very low, has risen suddenly and rapidly, but it is impossible to say how long this rise will be maintained.

Above all, certain portions of the country are suffering from drought and scarcity, and already the collections on account of Land Revenue have shown some falling-off. The extension of Railways in recent years has greatly reduced

reduced the risks from famine; and, if the periodical rains, which are due about June next in the affected tracts of Madras, Bombay, and Upper Burma, in Rajputana and Behar, are received indue season, and are not insufficient, we shall in all probability have nothing worse than severe scarcity to meet. On the other hand, if the rains are delayed or are insufficient in the tracts in question, scarcity may deepen into famine, and the loss of Revenue and increase of Expenditure that must follow such a calamity cannot be calculated. Meteorological conditions, I understand, are not unfavourable at present for the occurrence of a timely monsoon.

36. Under the circumstances just stated, I refrain from making a forecast of probable financial progress during the coming year, and must content myself with saying that, putting aside the possibility of the occurrence of famine, there is, to the best of my judgment, no ground at this moment for any special anxiety regarding 1892-93. The Currency question, however, appears to be approaching the acute stage, and it is impossible to foresee what may happen in this connection within the next few years.

PART II.

IMPERIAL, PROVINCIAL, AND LOCAL REVENUE AND EXPENDITURE.

SECTION I.—ACCOUNTS OF 1890-91.

37. The Revised Estimate for the year 1890-91, published in March last, showed a surplus of Rx. 2,787,100. In August the Under-Secretary of State for India announced in Parliament that the surplus would be nearly Rx. 900,000 in excess of that sum. The Accounts of the year show a surplus of Rx. 3,688,171.

38. Explanations of the variations under the several heads will be found in the Appropriation Report, published in the "Gazette of India" of the 12th March. The following statement gives a general comparison of the Revised Estimates with the Accounts of the year:—

	Revised Estimate.	Accounts.	Accounts Better.	Accounts Worse.
REVENUE.				
India - - - - - - Rx.	84,799,300	85,221,551	422,251	-
England - - - - - £.	388,100	392,009	3,909	-
Exchange - - - - - Rx.	126,100	128,089	1,989	-
TOTAL - - - Rx.	85,313,500	85,741,649	428,149	-
EXPENDITURE.				
India—				
Imperial, Provincial, and Local Rx.	61,902,700	61,596,086	306,614	-
Adjustment of Provincial and Local Surplus or Deficit - Rx.	—312,800	—198,627	-	114,173
England - - - - - - £.	15,801,100	15,568,875	232,225	-
Exchange - - - - - - Rx.	5,135,400	5,087,144	48,256	-
TOTAL - - - Rx.	82,526,400	82,053,478	472,922	-
SURPLUS - - - Rx.	2,787,100	3,688,171	901,071	-

1890-91. General Results.

39. The improvement in the Revenue and Expenditure in India was thus Rx. 728,865, of which Rx. 114,173 occured in the Provincial and Local sections of the Accounts, and Rx. 614,692 in the Imperial section. The addition to the latter sum of the improvement of Rx. 286,379 in the Revenue and Expenditure in England, including Exchange, makes up the increase in the surplus of the year to the sum of Rx. 901,071, shown above.

Revenue in India.

40. Increased receipts under the Principal Heads of Revenue, Rx. 243,734, and from Railways, Rx. 228,298, account for the improvement of Rx. 422,251 shown in the Revenue in India. The more important increases under the Principal Heads occurred under Land Revenue, Rx. 130,609, and Salt, Rx. 70,168, while of the chief Principal Heads the only one under which the Actuals were less than the Revised Estimate was Stamps. The only important decrease in the Accounts, compared with the Revised Estimate, was one of Rx. 70,092 in Military Receipts.

Expenditure in India.

The decrease of Rx. 306,614 in the Expenditure in India, as compared with the Revised Estimate, occurred mainly under the groups Direct Demands on the Revenue, Rx. 83,985; Railways, Rx. 101,039; and Buildings and Roads, Rx. 82,161.

Expenditure in England.

41. The saving of Rx. 280,481, including Exchange, in the expenditure in England, occurs mainly under the groups Miscellaneous Civil Charges, Rx. 48,855; Army, Rx. 190,566, and Special Defence Works, Rx. 20,561.

Expenditure not charged to Revenue.

42. The capital outlay on Railways and Irrigation Works, not charged to Revenue, was less than assumed in the Revised Estimate by Rx. 123,768.

Section II.—REVISED ESTIMATES of 1891-92.

43. The following Statement gives a general comparison of the Budget and Revised Estimates of 1891-92.

	Budget.	Revised.	Revised Better.	Revised Worse.
Revenue.				
India - - - - - - Rx.	85,729,500	88,219,400	2,489,900	—
England - - - - - - £.	212,600	255,200	42,600	—
Exchange - - - - - Rx.	83,200	111,300	28,100	—
Total - - - Rx.	86,025,300	88,585,900	2,560,600	—
Expenditure.				
India—				
Imperial, Provincial, and Local Rx.	64,516,000	65,873,700	—	1,357,700
Adjustment of Provincial and Local Surplus or Deficit - Rx.	—828,400	—461,500	—	366,900
England - - - - - - £.	15,972,100	16,193,400	—	221,300
Exchange - - - - - Rx.	6,250,000	7,060,300	—	810,300
Total - - - Rx.	85,909,700	88,665,900	—	2,756,200
Surplus or Deficit - - - Rx.	+ 115,600	—80,000	—	195,600

1891-92. General Results.

44. The small surplus of the Budget Estimate has become in the Revised Estimate a small deficit. The salient features of the year may be stated as, on the one hand, a large increase of net Railway Revenue, and improvements in most other heads of Revenue; and, on the other hand, a large increase of Military

Military Expenditure, a fall in the rate of exchange, and some falling-off in Land Revenue. The increase of Revenue is greater than that of Expenditure, apart from Exchange; if the rate of Exchange had not fallen below the rate assumed in the Budget Estimate, there would have been an improvement, instead of a deterioration in the general result.

1891-92. Revenue in India.

45. The Revenue in India is now expected to be Rx. 2,489,900 more than was anticipated last March.

1891-92. Increases of Revenue in India.

46. The larger part of this occurs under Railways, the receipts from which show an improvement of no less than Rx. 1,781,100. The revival of Railway traffic which began towards the close of last financial year continued and developed to an unexpected extent in the present year. There are now some signs of the improvement coming to an end; but in all probability the high figure taken in the Revised Estimate for Railway Revenue will be realised. Almost all the important lines of Railway have contributed to this satisfactory result.

Most of the other heads of Revenue also show increases, the more important being the following:—

	Rx.
Opium	432,700
Salt	277,200
Stamps	78,700
Excise	143,100
Telegraph	137,900
Irrigation, Major Works	147,900

The larger part of the increase under Opium occurs in Bengal, where the receipts exceed the Estimate by Rx. 324,200; this is due to the average price realised at the sales of Bengal opium having been Rs. 1,058 a chest, against a price of Rs. 1,000 a chest assumed in the Budget Estimate. There is also an increase of Rx. 110,000 in Bombay, due to the number of chests of Malwa Opium exported being higher than assumed in the Budget Estimate.

The rest of the increases may be ascribed to the general progress of the country.

1891-92. Decreases of Revenue in India.

47. Against those increases must be set the falling-off in Land Revenue and Provincial Rates, due to the scarcity in Madras. The collections of Land Revenue, including that due to Irrigation, are now expected to be less than the Budget Estimate by Rx. 585,500, and those of Provincial Rates by Rx. 54,400, the reductions in Madras being Rx. 603,000 and Rx. 66,300.

The only other important decrease in Revenue is one of Rx. 85,000 under Mint. It is due to the coinage being much below the average.

1891-92. Revenue in England.

48. The increase of the Revenue in England is not great; more than half of it occurs under interest, the Secretary of State having been able to realise higher rates of interest than he anticipated on his temporary investments of cash balance.

1891-92. Expenditure in India. Increases under Army and Railways

49. For the large increase of expenditure in India shown in the statement in paragraph 43, amounting to Rx. 1,357,700, the two heads Army and Railways are responsible.

The increase in Railway Expenditure is a necessary accompaniment of the increase in the Railway Revenue. It amounts to Rx. 489,000 on State Railways Working Expenses, and to Rx. 151,500 on Guaranteed Railways Surplus Profits, Land and Supervision.

The increase in the expenditure on the Army amounts to Rx. 1,059,500. The causes of this increase are (*a*) the cost of expeditions not contemplated when the Budget Estimate was framed, amounting to Rx. 725,300; (*b*) the sanction given to an expenditure of Rx. 213,400 on measures designed to facilitate mobilisation; and (*c*) the sanction given to an expenditure of Rx. 132,100 for the purchase of additional mules and remounts.

 50. The

1891-92. Expenditure in India. Other variations.

50. The sum of the increase in the Expenditure on Railways and of the increase in the Expenditure under Army being in excess of the increase of the total Expenditure in India, it follows that under the remaining heads of Expenditure there must have been, on the whole, a decrease. The following are the more important increases and decreases of Expenditure under these heads:—

Decreases.	Rx.	Increases.	Rx.
Land Revenue - - -	54,200	Political - - - -	50,700
Opium - - - -	388,800	Reduction of Debt - -	802,800
Police - - - - -	133,100	Irrigation, Minor Works -	58,400
Miscellaneous - - -	109,400	Military Works - - -	80,900
Construction of Protective Railway - - - -	680,100		
Special Defence Works -	60,600		

1891-92. Decreases of Expenditure in India.

51. The larger part of the decrease under Land Revenue occurs in Bombay, Rx. 35,900, and is due partly to too high a margin having been allowed in the Estimate of Expenditure, and partly to provision having been made for a scheme of reorganisation of the Department of Land Records and Agriculture, which was not fully brought into operation in the year. There are also decreases in the Central Provinces Rx. 9,400, Assam Rx. 8,200, and India General Rx. 4,200 (all of these three decreases occurring mostly in Settlement charges); while there are increases in Bengal Rx. 4,200 (due to increased expenditure on Survey and Settlements), and in Lower Burma Rx. 4,100 (due to higher charges for the collection of the Revenue, which is expected to exceed the Budget Estimate).

The decrease under Opium is caused by the produce of the season's crop having been much less than was assumed in the Budget Estimate. The Estimates are framed at a time when the produce of the crop cannot be gauged with accuracy.

The decrease under Police is due to provision having been made in Bombay for large Expenditure on a scheme for the re-organisation of the Police which has not yet been brought into operation, and to the Expenditure in both Upper and Lower Burma having been largely over-estimated. These decreases are partially counterbalanced by increased Police charges in the South Lushai country.

The decrease under Miscellaneous occurs in Madras. About half of it is nominal being due to the transfer of Local Sanitation charges from this head to Medical; while the remainder is due to the Madras Government having provided in the Budget Estimate a large sum under this head as a "reserve."

The decrease under Protective Railways and Special Defence Works is due merely to the rate of Expenditure having been slower than was anticipated.

1891-92. Increases in Expenditure in India.

52. The increase under Political is due mainly to the Amir of Afghanistan having drawn a portion of his subsidy for last year in arrears. If the Amir again allows his subsidy to fall into arrears, the increase under Political will almost entirely disappear in the actuals for the year.

The amount entered for Reduction of Debt is the sum required to make up the Famine Insurance Grant of the year to Rx. 1,500,000. It is composed of the sum of Rx. 680,100, the amount shown above as the decrease under Construction of Protective Railways, and of Rx. 166,900, being the amount by which the net loss on the Bengal-Nagpur and the Indian Midland Railways is now expected to be less than assumed in the Budget; diminished by the increases under the two other heads included in the grant, namely Rx. 30,400 under Famine Relief and Rx. 13,800 under Construction of Protective Irrigation Works.

The increase under Irrigation is caused by the opening of Famine Relief Works in Ajmere, Upper Burma, and Madras.

The

The increase under Military Works is accounted for by the sanction given during the year to expenditure of Rx. 30,000 for the restoration of buildings at Quetta damaged by rain; and of Rx. 61,600 for works designed to facilitate mobilisation in time of war. Smaller expenditure on other works diminishes to some extent the above excess.

1891-92. Provincial and Local Adjustments.

53. The sum of Rx. 366,900 entered opposite "Adjustment of Provincial and Local Surplus and Deficit" represents the amount by which the reduction of their accumulated balances by Local Governments has been less than they proposed when the Budget Estimates were framed.

1891-92. Expenditure in England.

54. The more important variations accounting for the increase of 221,300 *l.* in the Expenditure in England are the following:—

Increases.	£.	Decrease.	£.
Interest - - -	232,100	Special Defence Works	175,500
Army - - - -	130,800		

The excess in the Interest payments is caused by the payment of discount on the issue and sales of India Stock, for which no provision was made in the Budget Estimate. The public loan of 2,600,000 *l.* was issued at an average rate of 94 *l.* 10 *s.* 2½ *d.* per cent., and the discount, including that paid on payments towards the loan in anticipation of due date, amounted to 153,478 *l.* The subsequent sales of stock to the amount of 2,000,000 *l.* were effected at a price of 95 *l.* per cent., and a further charge for discount of 101,522 *l.* was incurred. This total increase of 255,000 *l.* was partially counterbalanced by a saving in the interest charge in consequence of the loan having been issued later than was intended.

The report of Lord Northbrook's Commission on the claims of the War Office on account of British Forces serving in India necessitates the payment this year of 211,000 *l.* in excess of the amount provided in the Budget Estimate; this payment accounts for the increase of expenditure under Army, and covers arrear charges for the four years 1887-88, 1888-89, 1889-90, and 1890-91, and the full payment likely to be due under the award of the Commission for the current year. The payments already made for the years 1887-88, 1888-89, and 1889-90, are respectively 655,000 *l.*, 665,000 *l.* and 720,000 *l.*, or in all 2,040,000 *l.* The amount due under the award of the Commission for those three years is 2,156,000 *l.* To close the account to March 1890, an arrear payment of 116,000 *l.* is therefore required. Owing to the increase in the payments on account of deferred pay, it is anticipated that the amounts due for each of the years 1890-91 and 1891-92 will be 760,000 *l.*, against 700,000 *l.* paid in 1890-91 and 725,000 *l.* provided in the Budget Estimate of 1891-92, necessitating a further payment of 95,000 *l.* for these two years. The addition to the Budget Estimate for payments to the War Office is therefore 211,000 *l.* in all. On the other hand, it is anticipated that the payments for the Troop Service will be less by 29,300 *l.* owing chiefly to the new machinery for the "Euphrates" not having been supplied, and that the payments for stores will be less by 62,000 *l.*; these reductions are mere postponements of expenditure, not real savings.

The decrease under Special Defence Works is due to Stores required for these works not being provided as rapidly as was anticipated.

1891-92. Exchange.

55. The net charge for Exchange on the Revenue and Expenditure in England is Rx. 6,949,000, as against the Budget estimate of Rx. 6,166,800, being worse by Rx. 782,200. This may be said to be due to the fall in the rate of Exchange from 1 *s.* 5·25 *d.* to 1 *s.* 4·713 *d.* the rupee, a small portion only being on account of the variations in the amount of Sterling Revenue and Expenditure.

SECTION III.—BUDGET ESTIMATE OF 1892-93.

56. The following statement compares the Budget Estimate for 1891-92 with that for 1892-93:—

	1891-92.	1892-93.	1892-93 better than 1891-92.	1892-93 worse than 1891-92.
REVENUE.				
India - - - - - - Rx.	85,729,500	88,066,700	2,337,200	—
England - - - - - - £.	212,600	200,800	—	11,800
Exchange - - - - - - Rx.	83,200	100,400	17,200	—
TOTAL - - - Rx.	86,025,300	88,367,900	2,342,600	—
EXPENDITURE.				
India—				
Imperial, Provincial, and Local Rx.	64,516,000	65,457,400	—	941,400
Adjustment of Provincial and Local Surplus or Deficit - Rx.	— 828,400	— 1,161,700	333,300	—
England - - - - - - £.	15,972,100	15,950,400	21,700	—
Exchange - - - - - Rx.	6,250,000	7,975,200	—	1,725,200
TOTAL - - - Rx.	85,909,700	88,221,300	—	2,311,600
SURPLUS - - - Rx.	115,600	146,600	31,000	—

1892-93. General Results.

57. A surplus of Rx. 146,600 means practical equilibrium between Revenue and Expenditure. A considerable development of Revenue is expected, which is, however, absorbed partly by increases in expenditure, but chiefly by the fall in the rate of Exchange from 1 *s.* 5¼ *d.* to 1 *s.* 4 *d.*

1892-93. Revenue in India.

58. The Revenue in India in 1892-93 is expected to exceed the Budget Estimate for 1891-92 by Rx. 2,337,200. The more important increases are the following: —

	Rx.
Land Revenue, including that due to Irrigation - - -	224,400
Salt - - - - - - - - - - -	201,200
Stamps - - - - - - - - - - -	81,400
Excise - - - - - - - - - - -	148,700
Provincial Rates - - - - - - - - -	92,200
Forests - - - - - - - - - - -	56,100
Interest - - - - - - - - - - -	108,800
Post Office - - - - - - - - - -	74,500
Telegraph - - - - - - - - - -	129,300
XXIV—Exchange - - - - - - - - -	137,100
State Railways - - - - - - - - -	883,900
Guaranteed Railways - - - - - - - -	80,000
Irrigation Major Works - - - - - - -	99,500

1892-93. Increases in Revenue in India.

59. The increases under Land Revenue and Provincial Rates are partly due to new settlements, but to a larger extent merely represent the portion of the heavy remissions in Madras this year, which, it is hoped, will be recovered next year on the assumption that the season will be normal.

Of the increase under Interest, Rx. 38,000 is due to the increase of the currency investment by one crore; Rx. 40,600 is on account of interest on overdrawn capital of Railway Companies—a charge of the same amount occurs in the Railway Revenue Account; and the remainder is obtained from the growth of interest on loans to Municipalities, other local bodies, and cultivators.

The

The estimated increase under Railway Revenue, which amounts to over 40 per cent. of the total increase in Revenue, is justified by the good results of the current year; the Railway Revenue is taken at a considerably lower figure than in the Revised Estimate for the present year.

The increase under XXIV.—Exchange is due chiefly to the fall in the rate of Exchange, which has the effect of increasing the apparent receipts under this head.

The other increases may be ascribed to the general progress of the country.

1892-93. Decreases in Revenue in India.

60. The only important decrease is one of Rx. 68,300 under Army; it is due mainly to the discontinuance of the employment of State agency in Madras and Bombay for the supply of malt liquor to soldiers, and should involve a corresponding decrease in the charges.

1892-93. Revenue in England.

61. The falling-off of 11,800 *l.* in the Revenue in England is accounted for by decreases under Interest, the Secretary of State anticipating that the loans from his cash balance will be less than this year, and under Telegraph, due to a change in the method of bringing to account the transactions with Telegraph Companies.

The increase in the receipts from Exchange on Sterling Revenue is due to the fall in the rate of exchange.

1892-93. Expenditure in India.

62. The following are the more important of the increases and decreases which result in the increase in the Expenditure in India of Rx. 941,400, shown in the statement in paragraph 56 :—

Increases.	Rx.
Land Revenue	143,500
Forest	65,200
Post Office	83,900
Education	69,900
Medical	96,000
Famine Relief	127,000
37.—Construction of Railways	91,000
State Railways, Working Expenses	224,600
State Railways, Interest	137,300
Army	441,200

Decreases.	Rx.
Interest	166,900
Scientific and other Minor Departments	161,600
Miscellaneous	114,900
Miscellaneous Railway Expenditure	68,800
Civil Works	238,800
Special Defence Works	89,100

1892-93. Increases of Expenditure in India.

63. The increase under Land Revenue is distributed over all the Provinces except Assam. The more important increases are, in Bengal Rx. 50,600, Rx. 42,900 being for larger expenditure on Survey and Settlements, some of it in Behar, and Rx. 9,000 for improved sanitation on Government estates: in Madras Rx. 38,300, most of this is due to the gradual introduction of a scheme for the revision of Village establishments under which the Village officers are paid by fixed salaries, and recoveries effected by means of a Local Cess: in Burma Rx. 28,200, being increased expenditure on Survey and Settlement: in the North-Western Provinces and Oudh, Rx. 11,700, mostly in charges for District administration; and in Bombay Rx. 10,700, for arrears of allowances to Village officers, and for the reorganisation of the Department of Land Records and Agriculture.

The increase under Forest is a consequence of the expansion of the operations, and of improvements in the organisation of the Department. It is accompanied by an increase of Revenue.

Most of the increase shown under Post Office is nominal, being due to the transfer of certain Printing and Stationery charges, amounting to Rx. 64,200, to that head, as explained in paragraph 76 in Section IV.: the remainder is the normal annual increase due to the expansion of operations.

The increase under Education occurs in all Provinces, the largest increase being in the Local Expenditure in Madras.

Under Medical more than half of the increase shown above is nominal, being due to the transfer to this head from Miscellaneous of Local Sanitation charges in Madras; the remainder is distributed over all the Provinces except Bengal, where there is a small decrease.

In view of the scarcity in Madras, the Madras Government think it necessary to provide for an expenditure of ten lakhs of rupees under Famine Relief. The Bengal Government has also provided two lakhs under the head, and the Bombay Government one lakh.

The increase under the head 37, Construction of Railways, is mainly the result of a special provision of Rx. 118,300 to be expended in carrying out the Railway programme of the Government of India, and of an increase of Rx. 61,900 in the Provincial Expenditure on the Mayaveram-Mutupet Railway in Madras, counterbalanced by a decrease of Rx. 92,000 in that on the Hyderabad Umarkot Railway in Bombay.

The increase under State Railways, Working Expenses, is required in consequence of the anticipated increase in traffic and Railway Receipts.

The increase in State Railways, Interest, is a transfer from the Interest on Ordinary Debt, and follows, as a matter of course, the increase of the Capital Expenditure on Railways.

The increase under Army is accounted for by an increase of Rx. 205,000 in the pay of the British soldiers due to the fall in the rate of exchange, the soldier's pay varying with that rate: by an increase of Rx. 94,500 due to the occupation of the Chin-Lushai country and of Manipur, the cost of feeding troops in those outlying stations being high; and by an increase of about Rx. 230,000 on various measures designed to improve the efficiency of the Army: these increases are partially counterbalanced by a smaller provision for Expeditions.

1892-93. Decreases of Expenditure in India.

64. The decrease under Interest represents the transfers from Ordinary to Public Works Debt of Interest on the Capital Expenditure on Railways and Irrigation Works.

The decrease under Scientific and other Departments is due to the practical completion of Census Work this year.

The decrease under Miscellaneous occurs in Madras: nearly half of it is due to the transfer to Medical of Local Sanitation charges, and the remainder to the omission of the "reserve" which was made by the Madras Government last year.

The decrease under Miscellaneous Railway Expenditure occurs because smaller provision is required for Railway Surveys.

Under Civil Works the Expenditure is reduced by Rx. 110,000 in the North-Western Provinces and Oudh, the Budget Estimate of 1891–92 having made special provision, amounting to Rx. 120,000, for water-supply and sanitation projects; and in Madras there is a reduction of Rx. 122,400, as the Local Government is restricting the expenditure in consequence of the strain thrown on its finances by the scarcity. There are also decreases in Bombay Rx. 63,000, Bengal Rx. 91,100, (the decreases in Bombay and Bengal are due partly to the revision of the Provincial Contracts rendering it necessary for the Local Governments to reduce for a time the high Public Works Expenditure which accumulated balances had enabled them to incur); the Punjab Rx. 22,300; and the Central Provinces Rx. 28,700; while increased expenditure is contemplated in Burma Rx. 46,000, Assam Rx. 98,900, and the smaller Provinces under the Government of India Rx. 53,800, the last being due partly to the necessity of providing relief works in Ajmere.

The grant for Special Defence Works has been fixed at a lower amount than for 1891-92.

65. The increase in the deductions shown in the table in paragraph 56 on account of the "Adjustment of Provincial and Local Surplus or Deficit" represents the amount by which Local Governments propose to increase their Expenditure from accumulated balances. Most of this increase may be ascribed to the revision of the Provincial Contracts explained in Section VI., by which a portion of the surpluses of Provincial Revenues is resumed by the Government of India. Notwithstanding the revision, most of the Local Governments are able to continue their expenditure on much the same scale as in the current year.

1892-93. Expenditure in England.

66. The Expenditure in England in the two years does not differ much. The only variations which need be noticed are those under Army. The expenditure on Military Stores, chiefly Ordnance, is expected to be less next year than this by 115,500 *l.*; and a saving is anticipated in the Troopship Service of 27,200 *l.*; while the charges of the War Office for British Forces in India are increased by 35,000 *l.*, Furlough allowances by 10,000 *l.*, and the Non-Effective charges by 31,600 *l.*

The

The increase of Rx. 1,725,200 in the Exchange on Expenditure in England is due to the fall in the rate from 1 *s.* 5¼ *d.* to 1 *s.* 4 *d.* This heavy loss is the main reason why the prospects of 1892-93 are not considerably better than were those of 1891-92. 1892-93 Exchange.

Section IV.—Examination of the Estimates under the more important heads of Revenue and Expenditure.

Land Revenue.

67. The Estimates for 1891-92 and for 1892-93, and the Actuals for the three preceding years, are shown in the following statement:—

	Accounts, 1888-89.	Accounts, 1889-90.	Accounts, 1890-91.	Budget Estimate, 1891-92.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.
	Rx	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue, including that due to irrigation.	23,687,445	24,671,165	24,754,205	25,155,500	24,570,000	25,379,900
Expenditure - - -	3,513,957	3,624,194	3,676,596	3,887,400	3,833,200	4,031,000
Net - -	20,173,488	21,046,971	21,077,609	21,268,100	20,736,800	21,348,900

The scarcity in Madras and Upper Burma is the cause of the falling-off in the Revenue in 1891-92. It is expected that the scarcity will reduce the collections below the Budget Estimate by Rx. 603,000 in Madras and by Rx. 48,900 in Upper Burma.

In the North-Western Provinces and Oudh also the Revenue is expected to be less than the Budget Estimate by Rx. 77,600. About Rx. 20,000 of this is due to remissions in a few districts necessitated by floods, inroads of wild cattle, and hail-storms: the rest is due to the expectation of the recurrence of arrears; the Budget Estimate for the current year was framed in the anticipation that the arrears from the previous year would be recovered in addition to the Revenue of this year, but the Local Government now expects that the arrears of this year will be heavy, though not so heavy as were those of the preceding year.

In all other Provinces except the Central Provinces and India General the collections will be above the Budget Estimate, the increase in Lower Burma being Rx. 88,400.

The increase of Revenue shown in the Budget Estimate for 1892-93 is partly due to the normal growth of Revenue, notably in the Punjab as the result of Settlement operations, but also to a large extent to the expectation that some portion of the suspensions in the current year will be recovered next year. The scarcity this year will therefore improve the Revenue next year, so far as can be now foreseen. But this is based on the hope that next year will be a normal season. Should there be any failure of the rains in the coming season, the Budget Estimate may not be realised.

The areas in which agricultural conditions give rise to anxiety are four: first, the Deccan districts in Madras and Bombay, part of the States of Mysore and Hyderabad, and some Madras districts to the south and east of these; second, Rajputana and some of the British districts on its borders in the Bombay Presidency; third, Behar; and fourth, some districts in Upper Burma. Whether matters will improve or grow seriously worse cannot be known with any certainty till June next. The Estimates have been framed in the hope that the serious calamity of a famine will not occur. If a famine should occur, not only will the Land Revenue be reduced, but other Revenue also will suffer, and Expenditure must be increased under many heads beyond the amounts provided in the Estimates.

 68. The

Opium.

68. The figures are—

	Accounts, 1888-89.	Accounts, 1889-90.	Accounts, 1890-91.	Budget Estimate, 1891-92.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	8,562,319	8,583,056	7,879,182	7,593,400	8,026,100	7,634,600
Expenditure - -	2,597,905	1,605,107	2,180,797	2,274,600	1,886,200	2,234,800
Net - - -	5,964,414	6,977,949	5,698,385	5,318,800	6,139,900	5,399,800

The average price of Bengal Opium in 1891–92 has been R1,058 a chest, whereas in the Budget Estimate a price of R1,000 a chest only was assumed. The Bengal receipts will consequently be higher than the Budget Estimate by Rx. 324,200.

The exports of Malwa Opium through Bombay have been larger than was anticipated, and the receipts in Bombay have improved by Rx. 110,000.

In accordance with Notification No. 2686, dated 26th June 1891, the number of chests of Bengal Opium to be sold in 1892-93 is smaller than in the current year. But nevertheless the rise in price justifies the placing of the Budget Estimate somewhat higher than that for this year. For Bombay the Estimate is placed at the same amount as for 1891-92.

The Expenditure in the current year will be lower than the Budget Estimate, the crop of opium having been smaller than expected. The Estimate of Expenditure for 1892-93 is based on the assumption that an average crop will be obtained. The reports regarding the crop indicate that it may be below the average; but it is not considered safe to act on this assumption in framing the Estimates.

Salt.

69. The figures are—

	Accounts, 1888-89.	Accounts, 1889-90.	Accounts, 1890-91.	Budget Estimate, 1891-92.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	7,675,634	8,187,739	8,523,368	8,343,500	8,620,700	8,544,700
Expenditure - -	412,979	412,766	429,013	466,900	459,600	497,500
Net - - -	7,262,655	7,774,973	8,094,355	7,876,600	8,161,100	8,047,200

The Salt Revenue in the current year has increased above the expectations of the Budget Estimate in all Provinces with the exception of Madras. In Madras the quantity of salt consumed has increased as in other Provinces, and the decrease in Revenue is due to the allowance made for the exceptional increase in cash payments in 1890–91, mentioned in paragraph 34 of Part II. of the Financial Statement of March last, having proved to be insufficient. The Estimate of Revenue for next year is moderately framed at an amount lower by Rx. 76,000 than the Revised Estimate of this year.

The consumption of salt since 1888-89 has been as under:—

	Maunds.
1888–89 - - - - - - - -	31,395,000
1889–90 - - - - - - - -	33,086,000
1890–91 - - - - - - - -	33,320,000
and in 11 months of 1891–92 - - - - - - - -	31,152,000

70. The

STAMPS.

70. The figures are—

	Accounts, 1888-89.	Accounts, 1889-90.	Accounts, 1890-91.	Budget Estimate, 1891-92.	Revised Estimate, 1891-92.	Budget, Estimate, 1892-93.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	3,927,088	4,087,908	4,068,969	4,148,200	4,226,900	4,229,600
Expenditure - -	154,172	134,373	130,019	132,400	136,100	140,900
Net - - -	3,772,916	3,953,535	3,938,950	4,015,800	4,090,800	4,088,700

The Stamp Revenue fell off in the closing months of 1890-91, and the Revenue of that year was lower than that of the previous year. But the ground lost is expected to be more than made up in the current year.

EXCISE.

71. The figures are—

	Accounts, 1888-89.	Accounts, 1889-90.	Accounts, 1890-91.	Budget Estimate, 1891-92.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	4,705,346	4,891,894	4,947,780	4,953,700	5,096,800	5,102,400
Expenditure - -	137,941	156,739	175,053	188,700	188,900	206,100
Net - - -	4,567,405	4,735,155	4,772,727	4,765,000	4,907,900	4,896,300

The increase in the Excise Revenue is distributed over all the Provinces, with the one exception of the North-Western Provinces and Oudh. The increase this year is largest in Bengal.

CUSTOMS.

72. The figures are—

	Accounts, 1888-89.	Accounts, 1889-90.	Accounts, 1890-91.	Budget Estimate, 1891-92.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	1,332,784	1,506,686	1,743,218	1,700,900	1,687,000	1,691,800
Expenditure - -	133,897	135,021	134,652	140,600	137,200	142,300
Net - - -	1,198,887	1,371,665	1,608,566	1,560,300	1,549,800	1,549,500

The rice duty realised in 1890–91 was, owing to special conditions, abnormally large, and the reduction this year has been even greater than was assumed in the Budget Estimate. The trade at present is active and, unless the next monsoon rains in India should be deficient, in which case Burma rice will be required to supplement local deficiencies, the Estimates should be fully realised. The import revenue shows a normal increase.

Assessed Taxes.

73. The figures are—

	Accounts, 1888-89.	Accounts, 1889-90.	Accounts, 1890-91.	Budget Estimate, 1891-92.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	1,520,940	1,595,274	1,617,396	1,610,300	1,644,600	1,645,200
Expenditure - -	27,128	27,681	29,246	31,600	29,700	31,800
Net - - -	1,493,812	1,567,593	1,588,150	1,578,700	1,614,900	1,613,400

The receipts from Income Tax are increasing yearly with the growth in wealth and population.

Forest.

74. The figures are—

	Accounts, 1888-89.	Accounts, 1889-90.	Accounts, 1890-91.	Budget Estimate, 1891-92.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.
	Rx	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	1,349,047	1,486,303	1,448,002	1,511,100	1,497,800	1,567,200
Expenditure - -	792,000	780,035	784,113	905,700	879,800	970,500
Net - - -	557,047	706,268	663,889	605,400	618,000	596,700

The financial results of Forest administration are expected to remain much the same as was estimated in March last. There has been a considerable increase of Revenue compared with the previous year, but the Expenditure has also increased. For next year a similar result is expected.

Interest.

75. The Interest receipts since 1888-89 are shown below:

	Accounts, 1888-89.	Accounts, 1889-90.	Accounts, 1890-91.	Budget, Estimate, 1891-92.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.
Revenue:						
India - - Rx.	643,310	676,703	710,552	764,700	799,200	873,500
England - £.	135,477	135,633	166,194	30,000	58,000	25,000
Exchange - Rx.	63,035	60,865	54,304	11,700	25,300	12,500
Total - Rx.	841,822	873,201	931,050	806,400	882,500	911,000

The moderate and steady rate of progress in the receipts in India continues. The increase in the Revised Estimate is accounted for by the receipt of Rx. 39,700 as interest on overdrawn Capital of Railway Companies, the other receipts being slightly reduced owing to the sums placed at the disposal of Local Governments for loans to Municipalities and other bodies not having been fully utilised. Of the increase in the Budget Estimate, Rx. 40,600 is for interest on overdrawn Capital, Rx. 38,000 is in consequence of the increase of the

the Currency investment by one crore in accordance with the Notification in the Finance and Commerce Department, No. 4,861, dated 3rd December 1891, and the remainder comes from the loans to Municipalities and other bodies.

The Secretary of State obtained higher rates of interest on the temporary investments of his cash balance than he was able to count on in the Budget Estimate. During next year the cash balance available for investment will be smaller than this year.

The Expenditure under Interest (other than that charged to Railways and Irrigation Works) has been as follows since 1881-82:—

Year.	India.	England.	Exchange.	Total.
	Rx.	£.	Rx.	Rx.
1881-82	1,827,369	2,513,126	518,461	4,858,956
1882-83	1,718,857	2,481,978	569,349	4,770,184
1883-84	1,516,887	2,447,333	559,241	4,523,461
1884-85	1,371,347	2,612,657	634,855	4,618,859
1885-86	1,136,962	2,429,243	764,656	4,330,861
1886-87	736,495	2,597,193	976,715	4,310,403
1887-88	662,025	3,365,509	1,414,220	5,441,754
1888-89	811,191	2,662,331	1,238,737	4,712,259
1889-90	760,375	2,402,478	1,078,110	4,240,963
1890-91	861,180	2,513,000	821,124	4,195,304
1891-92, Budget	517,600	2,407,500	942,100	3,867,200
1891-92, Revised	543,600	2,639,500	1,150,900	4,334,000
1892-93, Budget	383,100	2,396,000	1,198,000	3,977,100

The decrease in the Expenditure in India is the consequence of the transfers from Ordinary to Public Works Debt.

The increase in the Expenditure in England in the Revised Estimate is on account of discount paid on the loan raised in England and on sales of stock, as explained in paragraph 54.

Post Office.

76. The figures are—

	Accounts, 1888-89.	Accounts, 1889-90.	Accounts, 1890-91.	Budget Estimate, 1891-92.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue	1,281,540	1,301,247	1,402,503	1,423,900	1,453,200	1,498,400
Expenditure	1,342,452	1,376,619	1,396,744	1,459,000	1,510,000	1,555,400
Net { Revenue (+) / Expenditure (−) }	−60,912	−75,372	+5,759	−35,100	−56,800	−57,000

In 1890-91 for the first time the Post Office transactions as recorded on the Finance and Revenue Accounts showed a small surplus. A similar small surplus would have appeared on the Revised Estimate for 1891-92 and on the Budget Estimate for 1892-93, had it not been for a recent decision to charge to

the Post Office the expenditure on printing and stationery incurred on its account in the Central Press and Stationery Office, as well as the portion incurred directly by Post Office officials, which latter has always been so charged.

TELEGRAPH.

77. The figures for the Capital Account and the Revenue Account of the Telegraph Department are:—

	Accounts, 1887-88.	Accounts, 1888-89.	Accounts, 1889-90.	Accounts, 1890-91.	Budget Estimate, 1891-92.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.
Telegraph Capital Account:	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Receipts - - -	231	1,101	—	—	—	—	—
Expenditure - - -	256,338	158,858	162,080	179,928	190,600	195,600	217,700
Net Expenditure - -	256,107	157,667	162,080	179,928	190,600	195,600	217,700
Telegraph Revenue Account:							
Revenue - - -	763,655	740,957	766,865	781,035	779,500	910,900	892,600
Expenditure - - -	530,289	545,234	569,275	582,870	601,800	636,700	659,500
Net Receipts - -	233,366	195,723	197,590	198,165	177,700	274,200	233,100

The increase in receipts during the current year is chiefly due to the large expansion of traffic from India and other Eastern countries to Europe, and to the development of press and other private traffic in India. There is also a special increase caused by telegrams relating to Military Expeditions.

MINT.

78. The figures are—

	Accounts, 1888-89.	Accounts, 1889-90.	Accounts, 1890-91.	Budget Estimate, 1891-92.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	221,138	269,512	354,152	266,300	181,300	227,000
Expenditure - -	99,967	120,530	121,888	116,700	98,200	115,300
Net - -	121,171	148,982	232,264	149,600	83,100	111,700

The coinage in 1890–91 was unprecedentedly large. This year it has fallen much below the average. Hence the reduction in the Revenue and Expenditure shown in the Revised as compared with the Budget Estimate. A coinage more nearly equal to the average is assumed in 1892–93.

The value of silver bullion presented at the Mints for coinage has been as under in the last few years:—

	Rx.
1884–85 - - - - - - -	5,610,880
1885–86 - - - - - - -	8,838,580
1886–87 - - - - - - -	3,822,170
1887–88 - - - - - - -	7,135,860
1888–89 - - - - - - -	6,550,852
1889–90 - - - - - - -	8,006,370
1890–91 - - - - - - -	12,547,736
1891–92 (estimated) - - - - -	5,750,000

Civil Departments.

79. The figures of Expenditure for this group are—

	Accounts, 1888-89.	Accounts, 1889-90.	Accounts, 1890-91.	Budget Estimate, 1891-92.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
General Administration	1,745,156	1,759,193	1,740,465	1,763,800	1,786,700	1,831,600
Law and Justice:						
Courts	2,694,252	2,716,275	2,759,431	2,844,200	2,831,700	2,860,600
Jails	834,183	857,691	866,460	916,100	891,200	908,900
Police	3,754,294	3,887,564	3,859,683	3,938,500	3,805,400	3,910,000
Marine (including River Navigation)	578,284	657,865	559,257	710,600	663,800	780,200
Education	1,293,660	1,316,286	1,371,735	1,426,900	1,414,500	1,496,700
Ecclesiastical	156,856	161,068	166,005	169,900	161,000	169,300
Medical	772,233	785,243	806,937	833,100	876,800	931,100
Political	756,193	655,254	770,541	764,800	821,500	771,600
Scientific and other Minor Departments	428,432	438,967	485,747	608,600	611,000	472,500
Total	13,013,543	13,235,406	13,386,261	13,976,500	13,863,600	14,132,500

A considerable part of the increase under General Administration occurs in the Exchange on Sterling Expenditure; the remainder is distributed over the Expenditure in England, and of the Government of India and most of the local Governments.

The provision made in the Budget Estimate of this year for Judicial Establishments has proved to be more than was required in Bengal, Madras, and Bombay, and the increase of those establishments in the two former Provinces will not be so great as was anticipated last March. On the other hand, it has been necessary to increase the expenditure in the Central Provinces, the North-Western Provinces and Oudh, and the Punjab.

The saving shown in the Revised Estimate of this year under Jails occurs chiefly in Bengal and Burma, the greater part of the saving in Bengal being under Manufactures, and being more than counterbalanced by a falling-off in the receipts. On the other hand, there has been a large excess in the North-Western Provinces and Oudh, where the jail population is high.

The saving shown in the Revised Estimate under Police has been explained in paragraph 51. The expenditure in Burma will be smaller also in 1892-93; but that saving is nearly swallowed up by renewed provision in all other Provinces for increasing the efficiency of the Police.

The reduction in the Revised Estimate under Marine occurs in Burma and England. In Burma it has not been possible to complete the construction of a vessel required for the Baragua Flats. In England the subsidy to the Admiralty mentioned in paragraph 29 of Part II. of the Financial Statement of March last will not be payable for the whole year, owing to there having been delay by the Admiralty in taking over charge of the Defence vessels, this saving being partly absorbed by increased expenditure on the purchase of stores. In 1892-93 the vessel for Burma will be paid for, the Admiralty subsidy will be payable for the whole year, the expenditure on English stores will be as high as this year, and there will also be an increase in the charges of the Imperial Marine Department in India owing chiefly to the establishment of ferries on the Indus for Military purposes.

The increase in Expenditure on Education and for medical purposes continues. But Rx. 50,000 of the increase under Medical is nominal in both years, being due to a change in the classification in the accounts of Local Sanitation charges in Madras.

Under Scientific and other Minor Departments there will be a large reduction next year, as but little Census Expenditure will remain to be met. The

reduction would have been greater, had it not been for the recent sanction to the establishment of a civil Veterinary Department.

Miscellaneous Civil Charges.

80. The figures for this group are—

	Accounts, 1888-89.	Accounts, 1889-90.	Accounts, 1890-91.	Budget Estimate, 1891-92.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Territorial and Political Pensions.	543,657	535,582	527,569	530,000	568,000	536,200
Civil Furlough and Absentee Allowances.	318,418	297,475	232,747	292,100	279,300	314,500
Superannuation Allowances and Pensions.	3,114,823	3,140,361	3,051,541	3,218,500	3,334,900	3,497,600
Stationery and Printing -	524,372	558,730	592,436	572,000	599,200	576,800
Miscellaneous - - -	383,106	282,135	274,223	360,300	263,600	245,800
Total - - -	4,884,376	4,814,283	4,678,516	4,972,900	5,045,000	5,170,900

The increase in the Revised Estimate under Territorial and Political Pensions occurs in England, where the arrears of the stipend of his Highness Maharaja Dhuleep Sing were paid, the payments to the Maharaja being also increased by a reduction in the rate of interest on the advances to him.

The amounts of the payments on account of Furlough Allowances fluctuate with the rate of exchange.

The charges for Pensions are increasing, a part of the increase in this year and next being due to the decision to pay certain pensions at the minimum rate of 1 *s.* 9 *d.* the rupee.

The amounts shown in the Revised Estimate of 1891–92 and in the Budget Estimate of 1892–93 under Stationery and Printing would have been much larger, had it not been for the decision mentioned in para. 76 to charge the Post Office with the cost of all its printing and stationery. This has had the effect of transferring from the head Stationery and Printing to Post Office Rx. 62,300 in the Revised Estimate, and Rx. 64,200 in the Estimate for next year. There is therefore a considerable real increase of Expenditure under this head to be explained. While there has been some increase in the amount of printing done and of stationery used, the main reason of the rise under the head is to be found in the orders issued some years ago to substitute, as far as possible, the use of paper manufactured in India for paper procured from England. In the present year the purchases of paper in India have shown a marked increase, as the stocks of paper in the Calcutta Stationery Office procured from England under the old procedure have hitherto met a large portion of the demands, and those stocks have only now been exhausted. The exhaustion of the stock of English paper was not sufficiently allowed for in framing the Budget Estimate. The stocks of English paper having been exhausted, the local purchases must continue on the higher level in future years. The reduction of the sterling charges in England caused by the substitution of Indian-made for English-made paper took place some years ago, when the indents for paper were reduced: the corresponding increase in the charges in India has only now reached its full extent.

The reduction in the Expenditure under Miscellaneous, both in the Revised Estimate of 1891–92 and in the Budget Estimate of 1892–93, as compared with the Budget Estimate of 1891–92, has been explained in paragraphs 51 and 64.

FAMINE RELIEF AND INSURANCE.

81. The figures are—

EXPENDITURE.	Accounts, 1888-89.	Accounts, 1889-90.	Actuals, 1890 91.	Budget Estimate, 1891-92.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Famine Relief - - -	7,799	68,288	5,579	3,000	33,400	130,000
Construction of Protective Railways - - -	–	–	–	975,000	294,900	1,011,700
Construction of Protective Irrigation Works -	70,537	71,457	74,392	65,000	78,800	65,000
Reduction of Debt - -	–	460,255	520,029	–	802,800	–
TOTAL - - -	78,336	600,000	600,000	1,043,000	1,209,900	1,206,700
Net charge on account of the Bengal-Nagpur and the Indian Midland Railways -	430,182	462,009	482,351	457,000	290,100	293,300
TOTAL EXPENDITURE CHARGEABLE TO THE FAMINE GRANT -	508,518	1,062,009	1,082,351	1,500,000	1,500,000	1,500,000

In accordance with the policy announced in the last two Financial Statements, the Famine Grant has been raised to its original amount of Rx. 1,500,000 in the present year, and will be maintained at that amount in 1892-93.

The scarcity in Madras and Rajputana has caused the Expenditure on Famine Relief to exceed the Budget Estimate; and the Bombay Government has provided for some expenditure in the latter months of the year, while for next year the Madras Government has provided Rx. 100,000, the Bengal Government Rx. 20,000, and the Bombay Government Rx. 10,000.

It may be mentioned here that the provision made in Madras for Famine Relief has the effect of reducing the Madras Provincial balance below the prescribed minimum of Rx. 200,000. As the minimum balances of Local Governments were prescribed in order that there might be a reserve to meet Expenditure caused by famine, the reduction of the Madras balance is in this instance unobjectionable. This increase of Expenditure on direct Famine Relief is but a small portion of the effect produced on the finances by the scarcity. In addition to the loss of Land Revenue mentioned in para. 67, it has been necessary to open Famine Relief works in Madras, Ajmere, and Upper Burma, which will involve considerable expenditure both this year and next; but the expenditure on them is charged to the heads of account proper to the particular works opened.

The excess expenditure shown in the Revised Estimate on Protective Irrigation Works is on account of the more vigorous prosecution of the Rushikulya project in Madras.

The reduction under Protective Railways and the increase under Reduction of Debt shown in the Revised Estimate are in consequence of it having been found impossible to spend the full amount of the grant provided in the Budget Estimate for Capital Expenditure on Railways.

Railways.

82. The following table shows the main features of Railway Revenue Account since 1888-89 :—

	Revenue.							Expenditure.					
	Actuals, 1888-89.	Actuals, 1889-90.	Actuals, 1890-91.	Budget, 1891-92.	Revised, 1891-92.	Budget, 1892-93.		Actuals, 1888 89.	Actuals, 1889-90.	Actuals, 1890-91.	Budget, 1891-92.	Revised, 1891-92.	Budget, 1892-93.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.		Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
	15,520,359	16,605,177	17,234,698	17,872,100	19,653,200	18,831,100	India -	9,471,958	10,331,564	10,357,861	11,457,600	12,065,800	11,794,400
	230	293	965	200	1,200	1,100	England -	5,652,240	5,609,417	5,702,207	5,690,000	5,653,200	5,741,800
	107	131	315	100	500	500	Exchange	2,629,890	2,517,221	1,863,201	2,226,500	2,464,700	2,574,000
Loss on the Railway Account.	2,233,392	1,852,601	687,291	1,501,700	528,800	1,574,500							
TOTAL -	17,754,088	18,458,202	17,923,269	19,374,100	20,183,700	20,407,200	TOTAL -	17,754,088	18,458,202	17,923,269	19,374,100	20,183,700	20,407,200

Railways in 1891-92.

It will be seen that the net loss on the railway account, which was estimated in the Budget of the current year at Rx. 1,501,700, is in the Revised Estimate placed at only Rx. 528,800, being an improvement of Rx. 972,900. The increase in the net traffic receipts of State Railways is Rx. 1,019,100, and the increase in the net traffic receipts of Guaranteed Railways Rx. 283,000; on the other hand, the fall in exchange, which increases the equivalent of the sterling payments of interest in England, causes an additional charge of Rx. 238,200, and the surplus profits payable to Companies are increased by Rx. 161,300.

The Miscellaneous Railway Expenditure is now expected to be less than the Budget Estimate by Rx. 39,800.

State Railways, 1891-92.

The gross traffic receipts of State Railways will probably exceed the amount entered in the Budget by Rx. 1,508,100, while the excess in working expenses will be Rx. 489,000.

The principal fluctuations in net receipts are the following :—

	Revised Estimate more (+) or less (—) than the Budget Estimate. Rx.
East Indian Railway - - - - - -	+365,000
North-Western Railway - - - - -	+300,000
Rajputana-Malwa Railway - - - - -	+197,500
Bengal Nagpur Railway - - - - -	+158,000
Indian Midland Railway - - - - -	+ 22,000
Oudh and Rohilkhand Railway - - - -	+ 60,000
Southern Mahratta Railway - - - -	+ 15,500
Bengal and North-Western and Tirhoot Railways	— 97,500
Eastern Bengal State Railway - - - -	—102,500

On all the lines showing a considerable increase, the principal cause of the increase is the largely augmented traffic in wheat and seeds carried to Calcutta, Bombay, and Karachi, for export to Europe. Scarcity in Rajputana and high prices in Hyderabad and the Southern Mahratta country have caused considerable movement in food-grains. Part of the increase on the East Indian Railway is due to the continued expansion of the coal traffic.

In coaching traffic the chief contributors to the increase are the North-Western and Oudh and Rohilkhand Railways, on account of fairs at Hardwar, and the Bengal-Nagpur, which shows a satisfactory development in the whole of its traffic.

The decrease in net receipts on the Bengal and North-Western and Tirhoot Railways is chiefly due to provision being made for payment to the Company of their share of net earnings for three half-years, as their share for the second half-year of 1890 was not paid in 1890-91, and so became an unexpected charge against 1891-92; there is also a slight falling-off in the earnings, due to scarcity in Tirhoot.

The

The Eastern Bengal State Railway has suffered from the partial failure of the jute crop, but the main cause for the falling-off in net receipts is the large renewals which have been carried out, and which were not anticipated when the Budget Estimates were framed.

Guaranteed Railways, 1891-92.

The gross receipts of the Madras Railway are Rx. 30,000 below the Budget Estimate.

The Bombay Baroda and Central India Railway and the Great Indian Peninsula Railway are now expected to yield, respectively, Rx. 55,000 and Rx. 258,000 more than the net receipts entered in the Budget Estimate. The improvement is all in goods traffic, and is due to the causes just mentioned in connection with State Railways.

Railways in 1892-93.

Excluding Exchange, on which account a sum of Rx. 406,300 is provided in excess of that entered in the Revised Estimate, the net result on the Railway account for 1892-93 is Rx. 639,400 worse than the Revised Estimate of the current year. It is not considered safe to estimate for such exceptional traffic as has been secured in 1891-92; and there is a considerable increase in the charge for interest owing to increase of Capital outlay.

State Railways, 1892-93.

In 1892-93 the gross receipts of State Railways are estimated at Rx. 624,200 less than in the Revised Estimate of 1891-92. The most noticeable fluctuations occur on the East Indian Railway (—Rx. 280,000); Rajputana Malwa Railway (—Rx. 243,800); Bengal-Nagpur Railway (+Rx. 32,000); Eastern Bengal State Railway (+Rx. 35,000); Bengal and North-Western and Tirhoot Railways (+Rx. 35,000); North-Western Railway —Rx. 340,000); South Indian Railway (+Rx. 91,000).

Guaranteed Railways, 1892-93.

The net traffic receipts of the Guaranteed Railways are taken at Rx. 203,000 below the Revised Estimate of 1891-92; this is entirely due to the Estimates for 1892-93 being framed on the basis of a normal year with an allowance for natural expansion, and not on the very high receipts of the current year. Surplus profits, Land and Supervision are expected to diminish by Rx. 150,500.

IRRIGATION.

83. The figures are—

	Actuals, 1888-89.	Actuals, 1889-90.	Actuals, 1890-91.	Budget, 1891-92.	Revised, 1891-92.	Budget, 1892-93.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	1,900,718	1,991,078	2,172,578	2,160,600	2,249,600	2,216,700
Expenditure - -	2,622,964*	2,652,707	2,742,128	2,883,100	2,963,200	2,919,500
Net Expenditure -	722,246	661,629	569,550	722,500	713,600	702,800

The improvement in Revenue during the current year is due to the irrigated area in the North-Western Provinces and Punjab having been larger than was anticipated in the Budget Estimate for 1891-92.

The Budget for the ensuing year shows that the revenue is expected to fall off by Rx. 32,900. The decrease occurs in the North-Western Provinces and Oudh, where it is not anticipated that the season of 1892-93 will be so favourable for artificial irrigation as those of the previous two years. On the other hand, increases are expected from the growth of irrigation in the Punjab and Madras.

The increase in the Expenditure in the current year is mainly due to Famine Relief Works in Upper Burma, Madras, and Rajputana. The Budget provides for a decrease in expenditure, owing to the curtailment of outlay on Minor Irrigation Works in Madras and the cessation of Famine Works in Upper Burma.

Buildings and Roads.

84. The figures are—

Revenue.

———	Actuals, 1888–89.	Actuals, 1889–90.	Actuals, 1890–91.	Budget, 1891–92.	Revised, 1891–92.	Budget, 1892–93.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Military and Civil Works - - -	604,753	650,398	649,289	597,100	615,700	606,400

Expenditure.

———	Actuals, 1888–89.	Actuals, 1889–90.	Actuals, 1890–91.	Budget, 1891–92.	Revised, 1891–92.	Budget, 1892–93.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Military Works - -	1,108,206	1,138,463	1,220,676	1,130,300	1,215,200	1,183,800
Civil Works - -	4,202,526	4,273,726	4,510,231	4,978,800	5,033,500	4,736,300

The slight improvement in revenue in the Revised Estimate of 1891–92 is chiefly due to increased receipts from tolls on ferries and roads maintained from Local Funds.

The increase of Rx. 84,900 in the Military Works expenditure in the Revised Estimate is mainly due to special expenditure on the restoration of buildings at Quetta damaged by rain, and to outlay of Rx. 61,600 on measures intended to facilitate the speedy mobilization of the army in time of war. The increase of Imperial expenditure in 1891–92 under Civil Works amounts to Rx. 74,800, and is due to special expenditure on buildings at Quetta and Famine Relief Works in Upper Burma and in Rajputana. There is a decrease of Rx. 83,400 under Provincial.

An increase of Rx. 63,300 occurs under Local, for Public Works under the control of Local Boards.

The Budget for the ensuing year provides for a decrease of Rx. 52,400 in the Imperial (Military and Civil Works) expenditure: the special expenditure of 1891–92 will not recur next year.

The figures for the Provincial portion of the Civil Works expenditure are—

———	Actuals, 1888–89.	Actuals, 1889–90.	Actuals, 1890–91.	Revised, 1891–92.	Budget, 1892–93.
	Rx.	Rx.	Rx.	Rx.	Rx.
Provincial Civil Works Outlay -	1,814,931	1,945,626	2,188,276	2,490,800	2,198,500

ARMY.

85. The figures are—

YEARS.	India.	England.	Exchange.	TOTAL.
	Rx.	£.	Rx.	Rx.
1888-89	14,812,591	3,746,205	1,743,045	20,301,841
1889-90	14,944,095	3,957,703	1,776,016	20,677,814
1890 91	14,799,128	4,440,125	1,450,815	20,690,068
1891-92 Budget	14,565,500	4,661,600	1,824,100	21,051,200
1891-92 Revised	15,625,000	4,792,400	2,089,500	22,506,900
1892-93 Budget	15,006,700	4,594,500	2,297,300	21,898,500

The variations in the figures are explained in paragraphs 49, 54, 60, 63, and 66.

SPECIAL DEFENCE WORKS.

86. The following table shows the Expenditure on "Special Defence Works":—

	Rx.
To end of 1885–86	137,811
1886–87	325,626
1887–88	456,017
1888–89	789,595
1889–90	689,481
1890–91	491,837
1891–92 Budget Estimate	847,000
1891–92 Revised „	550,000
1892–93 Budget „	614,500

As has usually been the case in the past, the grant for this expenditure will not be fully utilised in the current year; and a smaller grant has been given for 1892–93. The lapse is chiefly on the English grant, and the slower progress in England involves less outlay in India.

The total expenditure on Special Defence Works being estimated at Rx. 5,000,000, if the amounts shown above for 1891-92 and 1892-93 are spent, there will remain Rx. 945,133 to be incurred in 1893–94 and future years.

UPPER BURMA.

87. The following tables give the Revenue, the Expenditure, and the net Expenditure, on account of Upper Burma, from the year following the annexation:—

REVENUE.

	Land Revenue.	Other Civil Revenue.	State Railway Receipts.	TOTAL.
	Rx.	Rx.	Rx.	Rx.
1886-87	167,200	55,300	—	222,500
1887-88	378,800	123,500	—	502,300
1888-89	436,000	284,600	31,900	752,500
1889-90	539,600	333,500	161,400	1,034,500
1890-91	616,000	319,400	193,300	1,128,700
1891-92 (Revised)	606,100	304,400	195,000	1,105,500
1892-93 (Budget)	655,000	376,700	30,000	1,061,700

EXPENDITURE.

—	Police.	Other Civil Expenditure.	Railways (including Interest on Capital).	Military Works.	Civil Works.	Irrigation.	Army Special Expenditure.	TOTAL.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
1886-87 - - -	349,000	165,100	—	74,000	171,500	13,800	1,517,800	2,291,200
1887-88 - - -	709,200	265,700	—	314,800	343,000	12,600	1,475,300	3,120,600
1888-89 - - -	794,900	436,700	103,300	160,900	295,900	24,800	631,600	2,448,100
1889-90 - - -	861,700	393,700	218,700	142,500	296,800	19,200	435,800	2,368,400
1890-91 - - -	735,800	435,600	227,500	141,500	292,700	28,200	350,300	2,211,600
1891-92 (Revised) -	672,400	489,600	234,000	159,000	330,000	87,500	400,000	2,372,500
1892-93 (Budget) -	664,800	538,400	84,000	150,000	300,000	50,000	480,000	2,267,200

NET EXPENDITURE.

1886-87.	1887-88.	1888-89.	1889-90.	1890-91.	1891-92 (Revised).	1892-93 (Budget).
Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
2,068,700	2,618,300	1,695,600	1,333,900	1,082,900	1,267,000	1,205,500

SECTION V.—EXPENDITURE NOT CHARGED TO REVENUE.

88. The following table gives the figures of the Estimates for 1891–92 and 1892–93 for Capital Expenditure on Railways, exclusive of sums found by Local Governments out of Provincial resources, the amounts charged to the Famine Grant and to the head "37—Construction of Railways" being included for convenience, although charged to Revenue:—

—	India.	England.	Exchange.	TOTAL.
	Rx.	£.	Rx.	Rx.
1891-92, Budget Estimate - -	2,266,600	1,192,000	466,400	3,925,000
1891-92, Revised Estimate - -	1,825,200	870,000	379,300	3,074,500
1892-93, Budget Estimate - -	2,542,000	1,382,000	691,000	4,615,000

Of the totals shown above, the following amounts are taken as charges against the Famine Grant for Protective Railways, namely, in the Budget Estimate of 1891-92, Rx. 975,000; in the Revised Estimate of 1891-92, Rx. 294,900; and in 1892-93, Rx. 1,011,700. In 1892-93, Rx. 118,300 is also charged under 37—Construction of Railways.

The Capital Expenditure on Railways in 1891–92 will be less than the Budget grant by Rx. 850,500. Of this lapse, Rx. 170,400 has been utilised for increased Capital Expenditure on Irrigation Works, and the remainder appears in the reduction in the Revised Estimate of the Expenditure on Protective Railways. The heaviest expenditure has been on the East Coast, the Mu Valley, the Godra-Rutlam, South Indian (including Villupuram-Guntakal), and the Dharmavèram-Hindupur Railway. The Chaman Extension of the Sind-Pishin Railway has been completed during the year, and also the Mianwali-Mari Branch of the North-Western system, while a start was made on the Barsoe-Kishengunge, the Lucknow-Rai Bareli-Jaunpur, the Bengal-Assam, the Bareilly-Rampur-Moradabad, the Mari-Attock, and the Muskhaf-Bolan Railways.

The provision for 1892-93 will, it is hoped, practically complete the Villupuram-Guntakal Section of the South Indian Railway and the Dharmaveram-Hindupur Extension, while large grants have been provided for the Godra-Rutlam,

Rutlam, the Bareilly-Rampur-Moradabad, the Mari-Attock, the Lucknow-Rai Bareli-Jaunpur, gradient improvements of the North Western Railway, the Mu Valley, the Bengal-Assam, and the Jherria Extension of the East Indian Railway.

The following figures show the rate at which railways have been constructed at the cost, or on the responsibility, of the Government since 1880 :—

Date.	Number of Miles Open.
31st March 1880	8,382
„ 1881	9,134
„ 1882	9,437
„ 1883	9,748
„ 1884	10,230
„ 1885	11,283
„ 1886	11,634
„ 1887	12,536
„ 1888	13,448
„ 1889	14,184
„ 1890	14,832
„ 1891	15,621
„ 1892 (Estimate)	15,816

The following table gives the total Capital Outlay on Railway Construction up to date :—

——	State Railways.	State Railways Constructed through the Agency of Companies.	Guaranteed Railways.	Total.	Annual Progress.
To end of—	Rx.	Rx.	Rx.	Rx.	Rx.
1879-80	27,983,837	—	96,829,969	124,813,806	--
1880-81	67,201,066	—	66,348,478	133,549,544	8,735,738*
1881-82	70,546,309	—	67,021,756	137,568,065	4,018,521
1882-83	72,776,870	468,270	67,431,448	140,676,588	3,108,523
1883-84	76,629,723	704,155	68,769,369	146,103,247	5,426,659
1884-85	81,365,833	3,126,906	69,904,427	154,397,166	8,293,919
1885-86	90,839,553	4,775,059	67,883,682	163,498,294	9,101,128†
1886-87	108,456,220	7,915,378	57,046,325	173,417,923	9,919,629‡
1887-88	110,788,941	12,979,680	57,694,898	181,463,519	8,045,596
1888-89	111,990,360	18,097,843	58,313,774	188,401,977	6,938,458
1889-90	124,058,103	20,410,257	49,385,293	193,853,653	5,451,676
1890-91	131,920,346	21,793,709	45,091,263	198,805,318	4,951,665§
1891-92, Revised	135,177,446	22,760,009	45,155,063	203,092,518	4,287,200
1892-93, Budget	139,975,646	24,137,709	45,477,963	209,591,318	6,498,800

* Includes Rx. 2,790,140 on account of past expenditure on the East Indian Railway, which must be deducted to arrive at the normal annual progress.

† Includes Rx. 294,987 on account of Eastern Bengal Railway.

‡ Includes Rx. 1,007,244 on account of Scinde Punjab and Delhi Railway Company.

§ Includes Rx. 207,104 on account of South Indian Railway Company.

Capital Expenditure on Irrigation Works.

89. The figures of the Accounts and Estimates for Capital Expenditure on Irrigation Works not charged to Revenue are :—

Actuals, 1888-89.	Actuals, 1889-90.	Actuals, 1890-91.	Budget, 1891-92.	Revised, 1891-92.	Budget, 1892-93.
Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
459,890	378,932	483,849	550,000	720,400	550,000

The increase of Rx. 170,400 in the Expenditure of the current year is due to a portion of the lapse on the Railway Capital grant having been utilised to secure the earlier completion of the Chenab Canal Works.

SECTION VI.—REVISION OF THE PROVINCIAL CONTRACTS.

90. It has long been the policy of the Government of India to delegate some of its powers in respect of certain Revenues and Expenditure to Local Governments.

The first step in this direction was taken in 1870, when certain heads of Expenditure were made Provincial, the Local Governments being given, under conditions, the powers possessed by the Government of India in the matter of sanctioning expenditure, and the financial responsibility of Local Governments being enforced, by requiring them to keep the total Provincial Expenditure within the amount assigned for all the heads, *plus* any savings from that amount effected in previous years.

This policy was subsequently extended by making Provincial also some heads of Revenue, the financial responsibility of the Local Governments remaining as before, with the addition that they were allowed to spend any increases of Revenue obtained by them during the period for which the arrangement was made.

Still later, in restriction of the power of spending savings of previous years, Local Governments were required to maintain minimum balances of amounts fixed for each Province, to be drawn against in the event of pressure, such, for example, as the opening of works for the employment of labour in time of scarcity.

The arrangements with Local Governments to give effect to the delegation of powers as above explained are made for fixed periods, at the end of which the arrangements are subject to revision, as well in respect of the heads of Revenue and Expenditure made Provincial, as in respect of the assignment, including Revenue, made to the Local Government to cover the Provincial Expenditure.

91. The existing arrangements described in general terms in the preceding paragraph, commonly called contracts, come to an end with the close of the current year, having been made for the five years 1887–88 to 1891–92; and it has been necessary to settle the terms of the contracts to be in force during the next five years. The Government of India have been in correspondence with all the Local Governments concerned during the year. The final result of that correspondence is as follows.

92. The new contracts are framed on the same general lines as the preceding ones. The terms of the contract for each Province are contained in two Resolutions. The first of these is reprinted as an Appendix to this Statement; it consolidates and re-enacts, with some modifications, the general rules relating to the powers of Local Governments under the scheme of provincial finance. In the second the heads of Revenue and Expenditure which are made provincial

are

are stated, it being declared that Revenue and Expenditure classified in the Accounts under those heads, and no other, is Provincial; and the amount of the addition to, or the deduction from, the Provincial Revenue which is required to place the Province in equilibrium is stated.

93. The following statement shows the total Provincial Expenditure and Revenue, as estimated for the new contracts, and the amount of the adjusting addition to or deduction from the Revenue of each Province :—

	Central Provinces.	Burma (Lower).	Assam.	Bengal.	North-Western Provinces and Oudh.	Punjab.	Madras.	Bombay.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Ordinary Revenue, being a share of certain receipts -	567,600	1,427,500	657,700	4,249,300	3,403,500	1,370,400	2,479,300	3,123,900
Adjustment - - - -	220,500	414,300	—112,700	—143,900	—250,600	348,500	325,400	771,400
Total Revenue - - -	788,100	1,841,800	545,000	4,105,400	3,152,900	1,718,900	2,804,700	3,895,300
Expenditure - - - -	788,100	1,841,800	545,000	4,105,400	3,152,900	1,718,900	2,804,700	3,895,300

94. The Revenue and Expenditure shown in the above statement are estimates of the amounts which may be taken as fairly representing, generally, the normal Revenue and Expenditure of each Province at the existing stage of growth. The actual Revenue and Expenditure will, of course, vary from year to year ; but the amount of the adjustment is fixed for the five years.

95. The amount of the adjustment shown in paragraph 93 is not an index either of the financial position of the province or of the effect on the provincial finances of the revision of the contract. It is merely the amount required to place in equilibrium the Revenue and Expenditure which it has been found expedient to make provincial.

96. The financial effect of the revision of the contracts is the resumption by the Government of India of the following surpluses from Provincial Governments :—

	Rx.
Central Provinces - - - - - - - - -	22,700
Lower Burma - - - - - - - - - -	58,900
Bengal - - - - - - - - - - -	51,900
North-Western Provinces and Oudh - - - - -	56,900
Punjab - - - - - - - - - - -	41,000
Madras - - - - - - - - - - -	103,800
Bombay - - - - - - - - - - -	131,100
TOTAL - - -	Rx. 466,300

97. These surpluses are the share of the increase in Revenue in the past five years which the needs of Imperial Revenues require the Government of India to resume from Local Governments. The statement below shows to what extent the Provincial Revenues have increased in each Province since the estimate for the contracts now coming to an end was framed. The statement also

also show the extent to which the Local Governments have used their increased Revenues in the five years, and the closing balance of each year :—

		Estimate for Contract of 1887-88 to 1891-92.	Accounts.				Revised.	Increase of Revenue in the Revised as compared with the Contract Estimate.
			1887-88.	1888-89.	1889-90.	1890-91.	1891-92.	
		Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
CENTRAL PROVINCES.	Total Revenue, including adjustments	696,900	706,400	720,600	770,600	742,100	816,100	119,200
	Total Expenditure	696,900	693,300	698,000	782,900	773,700	799,100	—
	Closing balance	—	209,200	231,800	219,500	187,900	204,900	—
BURMA (Lower)	Total Revenue, including adjustments	978,600	1,094,900	1,077,000	1,220,300	1,290,900	1,313,500	334,900
	Total Expenditure	971,900	1,017,800	1,065,400	1,156,300	1,184,700	1,262,900	—
	Closing balance	—	148,800	160,400	224,400	330,600	381,200	—
ASSAM	Total Revenue, including adjustments	464,000	501,800	495,900	510,200*	526,800	563,800	99,800
	Total Expenditure	464,000	494,100	469,500	490,100	544,700	555,800	—
	Closing balance	—	76,100	102,500	122,600	104,700	112,700	—
BENGAL	Total Revenue, including adjustments	3,768,400	3,913,000	3,956,800	4,191,600	4,077,200	4,286,100	517,700
	Total Expenditure	3,768,400	3,782,000	4,022,600	4,089,100	4,197,500	4,333,400	—
	Closing balance	—	330,900	265,100	367,600	247,300	200,000	—
N. W. P. AND OUDH.	Total Revenue, including adjustments	3,240,100	3,217,000	3,255,600	3,102,100	3,123,800	3,303,400	63,300
	Total Expenditure	3,212,100	3,270,100	3,209,600	2,999,400	3,136,400	3,327,400	—
	Closing balance	—	380,700	426,700	529,400	516,800	492,800	—
PUNJAB	Total Revenue, including adjustments	1,583,300*	1,576,400	1,632,500	1,675,700	1,696,800	1,778,700	195,400
	TotalsExpenditure	1,580,200*	1,564,000	1,600,300	1,646,500	1,665,400	1,784,200	—
	Closing balance	—	186,000	218,200	247,400	278,800	273,300	—
MADRAS	Total Revenue, including adjustments	2,563,600	2,735,400	2,827,300	2,941,100	2,762,900	2,876,800	313,200
	Total Expenditure	2,563,600	2,630,000	2,713,300	2,796,600	2,899,700	3,134,900	—
	Closing balance	—	539,100	653,100	797,600	660,800	402,700	—
BOMBAY	Total Revenue, including adjustments	3,680,500	3,789,900	3,874,200	3,929,600	3,834,800	4,079,700	399,200
	Total Expenditure	3,680,500	3,814,500	3,855,900	3,888,200	3,958,700	4,151,700	—
	Closing balance	—	524,400	542,700	584,100	460,200	388,200	—
TOTAL	Total Revenue, including adjustments	16,975,400	17,534,800	17,839,900	18,341,200	18,055,300	19,018,100	2,042,700
	Total Expenditure	16,937,600	17,265,800	17,634,600	17,849,100	18,360,800	19,349,400	—
	Closing balance	—	2,395,200	2,600,500	3,092,600	2,787,100	2,455,800	—

* Actuals of 1886-87.

Note.—In this statement Railway Revenue and Expenditure have been taken net.

98. It will be seen from the foregoing statement that the increase of revenue in the past five years has in every Province been much greater than the amount of the surplus which is now to be resumed. The difference the Local Governments have been allowed to retain to enable them to meet the increase of Expenditure which has occurred in the five years. It would have been desirable, if possible, to allow the Local Governments to retain the whole of the increase, as all of them have many needs on which money could be beneficially spent. But, as stated in Part I. of this Statement, this could not have been done without imposing additional taxation, and it is a less evil to restrict to some extent the progress of useful Provincial Expenditure than to impose additional taxation. The total increase in Provincial Revenue for all Provinces has been Rx. 2,042,700. The surplus resumed by the Imperial Government is Rx. 466,300, or less than one-fourth. The amount to be resumed has been fixed in every case on a careful consideration of the circumstances of each Province.

SECTION VII.—WAYS AND MEANS.—HOME TREASURY.

99. The Budget and Revised Estimates of the transactions of the Home Treasury for 1891-92 compare as follows:—

	Budget, 1891-92.	Revised, 1891-92.
Net Receipts.	£.	£.
Council Bills	16,000,000	16,200,000
3 per Cent. Stock issued	2,600,000	4,600,000
Capital Receipts from Railway Companies	2,716,800	987,700
Deposits and advances	4,700	1,600
Add,—Opening Balance	3,532,473	3,835,050
TOTAL £.	24,853,973	25,624,350
Net Outgoings.		
Excess of Expenditure over Revenue	15,759,500	15,938,200
Capital expenditure of Government in England	1,196,400	878,200
Permanent Debt—		
Discharge of 3½ per Cent. Debentures	1,386,000	1,386,000
Discharge of Oudh and Rohilkhund and South Indian Railway Debentures.	117,100	117,100
4 per Cent. Stock discharged	—	2,500
Issues to Railway Companies on Capital Account	2,974,000	3,126,400
On account of remittance from India	1,195,300	914,900
Add,—Closing Balance	2,225,673	3,261,050
TOTAL £.	24,853,973	25,624,350

Council Bills.

The total estimate of the Secretary of State's drawings for the two years 1891–92 and 1892–93 is 33,200,000 *l.* It is now expected that £. 16,200,000 will be drawn during the current year.

3 per cent. sterling loan issued.

As explained in paragraph 68, page 46, of the last Financial Statement, the loan of 2,600,000 *l.* proposed in the Budget was required partly for the repayment of a portion of the India 3½ per Cent. Debentures which fell due on 16th August 1891, and partly for advances to Railway Companies under the Oudh and Rohilkhund Railway Purchase Act. The loan was issued at an average rate of 94 *l.* 10 *s.* 2½ *d.* per cent. During the year the Secretary of State decided to issue additional 3 per Cent. Stock to the amount of 2,000,000 *l.* This was required (*a*) for the discharge of 911,900 *l.* debentures of the Southern Mahratta Railway Company, which expired on the 1st October 1891; in the Budget Estimate it was anticipated that additional capital would be received from the Company for this purpose; (*b*) for the discharge of 1,000,000 *l.* Oudh and Rohilkhund Railway debentures which will expire on 1st April 1892; and (*c*) for the discharge of 600,000 *l.* debentures of the Southern Mahratta Railway Company expiring on 1st April 1892.

Capital Receipts from and Issues to Railway Companies.

A sum of 302,143 *l.* of the loan of 2,600,000 *l.* remained unappropriated, and a total sum of 2,302,143 *l.* is therefore available for the discharge of the debentures

debentures just described, amounting to 2,511,900 *l.* The balance will be met from the loan to be raised in 1892–93. The additional stock of 2,000,000 *l.* was issued at a price of 95 *l.* per cent.

100. The details of the estimated transactions of the Railway Companies are as follows:—

	Budget.	Revised.
RECEIPTS.		
On account of Subscribed Capital:	£.	£.
State:		
Rohilkund and Kumao	160,000	—
Southern Mahratta Railway	1,000,000	—
Guaranteed:		
Bombay Baroda and Central India Railway	556,500	536,000
Great Indian Peninsula Railway	900,300	331,300
Madras Railway	100,000	112,400
On account of Transfer and Miscellaneous Refunds	—	8,000
TOTAL £.	2,716,800	987,700
ISSUES.		
For discharge of Debentures:		
State:		
Southern Mahratta Railway	1,445,000	1,956,900
Guaranteed:		
Bombay Baroda and Central India Railway	88,500	68,000
For Stores, Establishment Charges, &c.:		
State:		
Bengal-Nagpur Railway	360,000	349,300
Indian Midland Railway	117,300	91,400
Other Railways	53,200	54,300
Guaranteed:		
Bombay Baroda and Central India Railway	150,000	149,900
Great Indian Peninsula Railway	636,000	311,000
Madras Railway	124,000	145,600
TOTAL £.	2,974,000	3,126,400

These transactions are liable to heavy fluctuations on account of changes in the programme of the Companies. As regards the receipts, the Rohilkund and Kumaon Railway, instead of paying 160,000 *l.* in England, paid its equivalent in India in exercise of an option given to the Company by the Contract. The receipt of 1,000,000 *l.* from the Southern Mahratta Railway Company was intended to replace debentures to be paid off in the year, but 88,100 *l.* out of those debentures were renewed, and 911,900 *l.* paid off with funds raised by the issue of 3 per Cent. Stock, as above explained. The difference between the Budget and Revised, of 20,500 *l.*, in the case of the Bombay Baroda and Central India Railway represents debentures renewed. The requirements of the Great Indian Peninsula Railway were reduced by 569,000 *l.*, but, on the other hand, a sum of 12,400 *l.* was received from the Madras Railway Company in 1891–92, which it was expected to receive in 1890–91.

The

The variations in the Estimates of payments for discharge of debentures are due (1) to partial provision towards paying off 600,000 *l.* debentures of the Southern Mahratta Railway, and (2) to the renewal, instead of discharge as originally provided for in the Budget, of debentures amounting to 88,100 *l.* and 20,500 *l.*, respectively, of the Southern Mahratta and the Bombay Baroda Companies.

The large reduction in the net payments on account of Remittances from India occurs chiefly in the advances for purchase of stores for the Rajputana-Malwa and South Indian Railways, and also in the payments on account of Indian Money Orders.

101. The following is the Budget Estimate of the Ways and Means of the Home Treasury for 1892-93:—

	Budget. 1892-93.
Net Receipts.	£.
Council Bills	17,000,000
Three per Cent. Stock to be issued	1,800,000
Capital Receipts from Railway Companies	1,788,200
Deposits and advances	4,600
Add,—Opening Balance	3,261,050
TOTAL £.	23,853,850
Net Outgoings.	
Excess of expenditure over revenue	15,749,600
Capital expenditure of Government in England	1,385,700
Permanent Debt:—	
Discharge of Oudh and Rohilkhund Railway Debentures	1,770,300
South Indian Railway Debentures	150,000
Issues to Railway Companies on Capital Account	1,430,300
On account of remittances from India	1,191,800
Add,—Closing Balance	2,176,150
TOTAL £.	23,853,850

The loan of 1,800,000 *l.* is required partly for the discharge of the Southern Mahratta and Oudh and Rohilkhund Railway Debentures, and partly for advances to Railway Companies. At present it is estimated that the drawings on India in the year will be 17,000,000 *l.* It should be understood that, in stating the present intentions of the Secretary of State, no sort of pledge is given that he will adhere to the programme above explained, and that the amounts to be obtained by bills or by loans may be varied from time to time as may seem expedient.

WAYS AND MEANS.—INDIA.

102. The Ways and Means Estimate of India is as follows:—

	1891–92.		1892–93.
	Budget.	Revised.	Budget.
NET RECEIPTS.			
1. Excess of revenue in India over the expenditure charged against it	22,041,900	22,807,200	23,771,000
2. Public Loan	—	—	—
3. Increase of the Unfunded Debt—mostly Savings Banks Deposits	583,000	905,700	869,000
4. Appropriation from Revenue for Reduction of Debt	—	802,800	—
5. Other Items	350,800	999,900	671,500
6. *For remittance to Secretary of State*	1,214,800	906,300	1,175,700
Add,—Opening Balance	16,797,121	17,876,244	16,750,044
TOTAL	40,987,621	44,298,144	43,237,244
NET OUTGOINGS.			
7. Expenditure charged to Provincial Balances	828,400	461,500	1,161,700
8. Capital Expenditure of Government in India	1,835,500	2,238,900	1,956,500
9. Loans to Municipalities, &c.	1,008,300	935,300	611,500
10. *Issues on Capital Account to Railway Companies*	184,200	—214,200	408,500
11. Council Bills—*Sterling Account*	16,934,400	16,914,800	17,166,500
12. Ditto — Exchange	6,626,500	7,211,800	8,633,700
Add,—Closing Balance	13,570,321	16,750,044	13,298,844
TOTAL	40,987,621	44,298,144	43,237,244

The headings in *italics* are connected with, and explained by, the corresponding figures of the Secretary of State's account in England. The others refer to purely Indian transactions.

Public Loans.

103. No public loan was raised in India in the current year or in 1890–91. The Estimates do not provide for the issue of any loan in India in 1892–93. But the Government of India are unable to say positively that there will or will not be a loan, and full liberty is reserved, as usual, to modify the present Estimates to any extent which may be expedient, and to issue a loan if one is required.

The

The fact that no loan has been raised for two years, and that it has been considered possible to frame the Estimates for a third year on the assumption that there will be no loan, is due to the following causes :—

(1) The large surpluses of 1889-90 and 1890-91.

(2) The provision made for reduction of debt since 1889–90.

(3) The large increase in the Savings Banks deposits.

(4) The fact that the Secretary of State hopes to receive in 1892–93 considerable Capital Receipts from Railway Companies, only a portion of which will be required for expenditure next year.

(5) The fact that the Secretary of State intends to meet a portion of his expenditure in 1892-93 by drawing on his cash balance.

Savings Banks.

104. The following are the usual details of the transactions of the Savings Banks during the last few years :—

Year.	Net Additions to Deposits (Cash).	Interest.	Total Addition.
	Rx.	Rx.	Rx.
1887-88 - - - -	656,300	224,000	880,300
1888-89 - - - -	685,200	261,800	947,000
1889-90 - - - -	—362,900	272,200	—90,700
1890-91 - - - -	250,700	279,700	530,400
1891-92, Budget - -	229,500	305,100	534,600
1891-92, Revised - -	530,000	305,400	835,400
1892-93, Budget - -	459,400	333,800	793,200

The Post Office Savings Banks deposit snow show a steady increase, in spite of the reduction of the limits for deposits. The Budget Estimate of these deposits is framed with moderation, and allowance has been made for some falling-off next year owing to the expectation of scarcity and dearness of provisions in some Provinces.

Appropriation for Reduction of Debt.

The sum of Rx. 802,800, credited in the Revised Estimate under "Appropriation for Reduction of Debt," represents the amount charged to Revenue to raise the Famine Grant to Rx. 1,500,000. Provision was made in the Budget Estimate of the current year for an expenditure of Rx. 975,000 out of the Famine Grant on construction of Protective Railways, but, only a portion of the amount having been spent, the above amount has been set free for appropriation for reduction of debt.

Loans to Municipalities, &c.

The net amounts to be advanced to Municipalities, Presidency Corporations, and others, during 1891–92 and 1892–93, are Rx. 935,300 and Rx. 611,500. These include Rx. 471,300 and Rx. 432,700, respectively, placed at the disposal of Local Governments under the Provincial Advance and Loan Scheme, referred to in paragraph 62 of Part II. of the Financial Statement of March 1890. They also include Rx. 410,000 and Rx. 65,600 required by the Calcutta and Bombay Port Trusts for the Kidderpore and Victoria Docks. The approaching completion of the Kidderpore Docks is the chief cause of the reduction of the aggregate

amount of advances provided for in 1892–93. The following is an account of the advances to the Calcutta and Bombay Port Trusts on account of the docks :—

	Calcutta.	Bombay.
	Rx.	Rx.
Up to 1890–91 - - - - - - -	2,194,566	878,622
Advances in 1891–92 - - - - - -	390,000	20,000
Advances in 1892–93 - - - - - -	55,600	10,000
TOTAL to end of 1892–93 - - -	2,640,166	908,622

Capital of Railway Companies.

105. The capital transactions with the Railway Companies in 1891–92 are expected to result in a net receipt in India of Rx. 214,200, instead of a net payment of Rx. 184,200 anticipated in the Budget Estimate. This is due partly to the payment in India, instead of in England, by the Rohilkund and Kumaon Railway Company, of the equivalent of 160,000 *l.* referred to in paragraph 100, and partly to smaller capital expenditure in India.

Cash Balance.

106. The current year is now expected to close with a cash balance of Rx. 16,750,044, instead of Rx. 13,570,321 estimated in the last Financial Statement. The year 1892–93 is expected to close with a cash balance of Rx. 13,298,844.

SECTION VIII.—SUMMARY.

107. The principal features in this Statement are :—

(*a.*) The Accounts of 1890–91 have closed with a surplus of Rx 3,688,171.

(*b.*) The Revised Estimates of 1891–92 show a deficit of Rx. 80,000, against the surplus of Rx. 115,600 shown in the Budget Estimate of the year. The increase in Military Expenditure, caused mainly by expeditions and measures designed to facilitate mobilisation in time of war, the fall in the rate of exchange from 1 *s.* 5¼ *d.* to 1 *s.* 4·713 *d.* the rupee, and the falling off in Land Revenue, are the causes of the deterioration. The loss due to those causes is nearly made good by a remarkable improvement in Railway Revenue, by an increase in net Revenue from Opium, and by improvements under other heads of Revenue.

(*c.*) The Budget Estimates of 1892–93 show a surplus of Rx. 146,600.

(*d.*) For 1892–93 the Rate of Exchange is taken at 1 *s.* 4 *d.* the rupee, giving an increased charge of Rx. 1,708,000. The Estimate of net Revenue from Opium is taken at Rx. 5,399,800, being slightly higher than the Budget Estimate for 1891–92. It is anticipated that a portion of the improvement in Railway Revenue will be retained next year, and that most of the improvements in other Heads of Revenue which have been secured this year will be maintained. A sum of Rx. 466,300 out of the increase in Provincial Revenues secured by Local Governments in the past five years has been resumed by Imperial Revenues on the Revision of the Provincial Contracts.

(*e.*) The expenditure on Railways and Irrigation Works (not charged against Revenue) is estimated at Rx. 3,500,000 in 1891–92, and at Rx. 4,035,000 in 1892–93; this is in addition to Rx. 294,900 in the former, and Rx. 1,130,000 in the latter year charged against the Famine Grant and under Head 37—Construction of Railways.

(*f.*) It

(*f.*) It is expected that the Secretary of State in 1892-93 will sell Council Bills to the amount of 17,000,000 *l.*, and raise a loan of 1,800,000 *l.* The loan is required for the discharge of certain Railway Debentures and for advances to Railway Companies. These announcements are accompanied by the usual reservation of entire liberty to the Secretary of State to vary the amounts to be obtained by bills or raised by loan, as he may find occasion.

(*g.*) The Estimates do not provide for the issue of any loan in India in 1892–93. The surpluses of 1889–90 and 1890–91, the sums provided for Reduction of Debt in 1889–90, 1890–91, and in 1891–92, and the increase in the Savings Banks Deposits, are the main reasons why the Government of India consider that it may be possible for a third year to meet the Capital Expenditure not charged to Revenue without borrowing. No pledge, however, is given that the Government will not borrow in India next year.

(*h.*) The financial prospects of 1892-93 are considered to depend largely on the degree of scarcity or famine that may be experienced in the coming year. The currency question is a source of much anxiety as regards the future.

D. Barbour.

Calcutta, 18 March 1892.

LIBRARY OF THE BOMBAY BRANCH OF THE ROYAL ASIATIC SOCIETY

APPENDICES.

APPENDIX I.

ACCOUNTS AND ESTIMATES.

ACCOUNTS - - - - -	1890-91.
REVISED ESTIMATES - - -	1891-92.
BUDGET ESTIMATES - - -	1892-93.

CONTENTS.

	PAGES
General Statement of the Accounts and Estimates of the Revenue and Expenditure, and Receipts and Disbursements, of the Government of India, in India and in England - - - - - - - - - - - - - - - -	48
A.—Statement of the Revenue of India, in India and in England - - - -	50
B.—Statement of the Expenditure chargeable on the Revenues of India, in India and in England - - - - - - - - - - - - - -	52
C.—Statement of Receipts and Disbursements of the Government of India, in India and in England - - - - - - - - - - - - -	56
D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Contracts - -	58
E.—Statement of Net Revenue and Expenditure, India and England - - -	60

GENERAL STATEMENT of the ACCOUNTS and ESTIMATES of the GOVERNMENT OF INDIA,

	For Detail, *vide* Statement	RECEIPTS.			
		Accounts, 1890–91.	Budget Estimate, 1891–92.	Revised Estimate, 1891–92.	Budget Estimate, 1892–93.
REVENUE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Principal Heads of Revenue:					
Land Revenue	A.	24,045,209	24,399,300	23,880,500	24,675,500
Opium	–	7,879,182	7,593,400	8,026,100	7,634,600
Salt	–	8,523,368	8,343,500	8,620,700	8,544,700
Stamps	–	4,068,969	4,148,300	4,226,900	4,229,600
Excise	–	4,947,780	4,953,700	5,096,800	5,102,400
Other Heads	–	9,425,726	9,488,100	9,475,200	9,681,600
TOTAL, PRINCIPAL HEADS	–	58,890,234	58,926,200	59,326,200	59,868,400
Interest	A.	931,050	806,400	882,500	911,000
Post Office, Telegraph, and Mint	„	2,537,689	2,469,700	2,545,400	2,618,000
Receipts by Civil Departments	„	1,612,069	1,571,300	1,643,600	1,615,800
Miscellaneous	„	927,127	821,400	891,100	959,900
Railways	„	17,235,978	17,872,400	19,654,900	18,832,700
Irrigation	„	2,172,578	2,160,600	2,249,600	2,216,700
Buildings and Roads	„	649,289	597,100	615,700	606,400
Receipts by Military Department	„	785,635	800,200	776,900	739,000
TOTAL REVENUE	–	85,741,649	86,025,300	88,585,900	88,367,900
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net incurred)	C.	6,293,714	1,091,400	3,043,900	127,700
Unfunded Debt (net incurred)	„	595,430	503,000	905,700	869,000
Deposits and Advances (net)	„	1,051,693	—	958,100	—
Remittances (net)	„	—	19,500	546,700	—
Secretary of State's Bills drawn	„	15,969,034	16,000,000	16,200,000	17,000,000
TOTAL RECEIPTS	–	109,651,520	103,719,200	110,240,300	106,364,600
Balance on 1st April—India	–	14,748,821	16,797,121	17,876,244	16,750,044
England	–	5,402,873	3,532,473	3,835,050	3,261,050
GRAND TOTAL	–	129,803,214	124,048,794	131,951,594	126,375,694

Fort William, Finance and Commerce Department,
18 March 1892.

C. R. C. Kiernander,
Deputy Comptroller General.

REVENUE and EXPENDITURE, and RECEIPTS and DISBURSEMENTS, of the
in INDIA and in ENGLAND.

	For Detail, *vide* Statement	DISBURSEMENTS.			
		Accounts, 1890-91.	Budget Estimate, 1891-92.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.
EXPENDITURE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Direct Demands on the Revenues	B.	9,536,015	10,035,400	9,599,300	10,286,600
Interest	„	4,195,304	3,867,200	4,334,000	3,977,100
Post Office, Telegraph, and Mint	„	2,282,612	2,308,100	2,440,500	2,547,900
Salaries and Expenses of Civil Departments	„	13,386,261	13,976,500	13,863,600	14,132,500
Miscellaneous Civil Charges	„	4,678,516	4,972,900	5,045,000	5,170,900
Famine Relief and Insurance	„	600,000	1,043,000	1,209,900	1,206,700
Construction of Railways (charged against Revenue, in addition to that under Famine Insurance)	„	—4,812	210,500	182,600	301,500
Railway Revenue Account	„	17,923,269	19,374,100	20,183,700	20,407,200
Irrigation	„	2,742,128	2,883,100	2,963,200	2,919,500
Buildings and Roads	„	5,730,907	6,109,100	6,248,700	5,920,100
Army Services	„	20,690,068	21,051,200	22,506,900	21,898,500
Special Defence Works	—	491,837	847,000	550,000	614,500
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL	—	82,252,105	86,738,100	89,127,400	89,383,000
Add,—Provincial Surpluses, that is, portion of Allotments to Provincial Governments not spent by them in the year	End of B.	+ 169,981	—	+ 100,000	—
Deduct,—Provincial Deficits, that is, portion of Provincial Expenditure defrayed from Provincial Balances	„	— 368,608	— 828,400	— 561,500	— 1,161,700
TOTAL EXPENDITURE charged against REVENUE	—	82,053,478	85,909,700	88,665,900	88,221,300
EXPENDITURE NOT CHARGED TO REVENUE:					
Capital Outlay on Railways and Irrigation Works	End of B.	3,365,632	3,500,000	3,500,000	4,035,000
Capital Charge involved in Redemption of Liabilities	—	4,692,557	—	—	—
DEBT, DEPOSITS, AND ADVANCES:					
Deposits and Advances (net)	C.	—	459,000	—	799,700
Loans to Native States and Presidency Corporations, &c. (net Advances)	„	456,368	484,700	464,000	178,800
Loans and Advances by Provincial Governments	„	275,692	523,600	471,300	432,700
Capital of Railway Companies (net Payments)	„	2,654,216	441,400	1,924,500	50,600
Remittances (net)	„	122,278	—	—	16,100
Secretary of State's Bills paid	„	14,471,699	16,934,400	16,914,800	17,166,500
TOTAL DISBURSEMENTS	—	108,091,920	108,252,800	111,940,500	110,900,700
Balance on 31st March—India	—	17,876,244	13,570,321	16,750,044	13,298,844
England	—	3,835,050	2,225,673	3,261,050	2,176,150
GRAND TOTAL	—	129,803,214	124,048,794	131,951,594	126,375,694
		Rx.	*Rx.*	*Rx.*	*Rx.*
Revenue		85,741,649	86,025,300	88,585,900	88,367,900
Expenditure chargeable thereon		82,053,478	85,909,700	88,665,900	88,221,300
Surplus (+) or Deficit (—)		+ 3,688,171	+ 115,600	— 80,000	+ 146,600

Stephen Jacob,
Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

HEADS OF REVENUE.	ACCOUNTS, 1890-91.					REVISED	
	India.		England.	Exchange.* 1 *s.* 6·089 *d.*	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
PRINCIPAL HEADS OF REVENUE:	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—Land Revenue	15,484,115	8,561,094	- -	- -	24,045,209	14,421,300	9,459,200
II.—Opium	7,879,182	- -	- -	- -	7,879,182	8,026,100	- -
III.—Salt	8,485,035	38,333	- -	- -	8,523,368	8,590,200	30,500
IV.—Stamps	1,192,633	2,876,336	- -	- -	4,068,969	1,239,600	2,987,300
V.—Excise	3,697,511	1,250,269	- -	- -	4,947,780	3,810,900	1,285,900
VI.—Provincial Rates	528	3,490,712	- -	- -	3,491,240	600	3,475,900
VII.—Customs	1,727,480	15,738	- -	- -	1,743,218	1,671,800	15,200
VIII.—Assessed Taxes	926,579	690,817	- -	- -	1,617,396	940,000	704,600
IX.—Forest	733,172	714,830	- -	- -	1,448,002	745,500	752,300
X.—Registration	183,929	181,520	- -	- -	365,449	196,500	193,900
XI.—Tributes from Native States	760,421	- -	- -	- -	760,421	778,900	- -
Total	41,070,585	17,819,649	- -	- -	58,890,234	40,421,400	18,904,800
XII.—INTEREST	612,645	97,907	166,194	54,304	931,050	689,600	109,600
POST OFFICE, TELEGRAPH, AND MINT:							
XIII.—Post Office	1,396,141	6,362	- -	- -	1,402,503	1,445,800	7,400
XIV.—Telegraph	761,136	323	14,754	4 821	781,034	892,500	400
XV.—Mint	354,075	- -	58	19	354,152	181,300	- -
Total	2,511,352	6,685	14,812	4,840	2,537,689	2,519,600	7,800
RECEIPTS BY CIVIL DEPARTMENTS:							
XVI.—Law and Justice { Courts	20,740	334,782	- -	- -	355,522	23,300	349,600
XVI.—Law and Justice { Jails	36,242	242,151	- -	- -	278,393	39,500	261,300
XVII.—Police	18,582	350,801	- -	- -	369,383	21,000	361,200
XVIII.—Marine	99,044	126,562	- -	- -	225,606	96,600	134,500
XIX.—Education	1,362	202,383	- -	- -	203,745	1,200	210,700
XX.—Medical	442	56,669	33,646	10,994	101,751	400	59,000
XXI.—Scientific and other Minor Departments.	6,750	69,884	780	255	77,669	9,500	71,900
Total	183,162	1,383,232	34,426	11,249	1,612,069	191,500	1,448,200
MISCELLANEOUS:							
XXII.—Receipts in aid of Superannuation, &c.	166,081	56,292	101,838	33,292	357,553	164,300	51,300
XXIII.—Stationery and Printing	28,332	64,140	- -	- -	92,472	26,600	53,300
XXIV.—Exchange	78,198	- -	- -	- -	78,198	49,200	- -
XXV.—Miscellaneous	101,198	290,028	5,787	1,891	398,904	92,000	295,300
Total	373,809	410,460	107,675	35,183	927,127	332,100	399,900
RAILWAYS:							
XXVI.—State Railways (Gross Receipts)	11,791,566	1,911,353	230	75	13,703,224	14,126,100	2,041,700
XXVII.—Guaranteed Companies (Net Traffic Receipts).	3,501,274	- -	- -	- -	3,501,274	3,463,000	- -
XXVIII.—Subsidised Companies (Repayment of Advances of Interest).	30,505	- -	735	240	31,480	22,400	- -
Total	15,323,345	1,911,353	965	315	17,235,978	17,611,500	2,041,700
IRRIGATION:							
XXIX.—Major Works: Direct Receipts	615,787	668,896	- -	- -	1,284,683	653,700	717,900
Portion of Land Revenue due to Irrigation.	708,996	- -	- -	- -	708,996	689,500	- -
XXX.—Minor Works and Navigation	35,187	143,712	- -	- -	178,899	43,400	145,100
Total	1,359,970	812,608	- -	- -	2,172,578	1,386,600	863,000
BUILDINGS AND ROADS:							
XXXI.—Military Works	44,045	- -	- -	- -	44,045	47,500	- -
XXXII.—Civil Works	12,815	558,021	25,934	8,474	605,244	10,200	520,400
Total	56,860	558,021	25,934	8,474	649,289	57,700	520,400
RECEIPTS BY MILITARY DEPARTMENT:							
XXXIII.—Army: Effective	675,117	- -	34,720	11,344	721,181	655,700	- -
Non-effective	54,791	- -	7,283	2,380	64,454	58,300	- -
Total	729,908	- -	42,003	13,724	785,635	714,000	- -
TOTAL REVENUES	62,221,636	22,999,915	392,009	128,089	85,741,649	63,924,000	24,295,400

* The columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England, Exchange thereon calculated in accordance with the average rate obtained, or estimated to be obtained, for Bills and Telegraphic Transfers sold during the year.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1891-92.			Increase + Decrease — of Revised, as compared with Budget Estimates, 1891-92.	BUDGET ESTIMATE, 1892-93.					Increase + Decrease — of Budget, 1892-93, as compared with Budget Estimates, 1891-92.	Increase + Decrease — of Budget, 1892-93, as compared with Revised Estimates, 1891-92.
				India.						
England.	Exchange.* 1 *s.* 4·713 *d.*	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.* 1 *s.* 4 *d.*	TOTAL.		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
- -	- -	23,880,500	— 518,800	15,752,100	8,923,400	- -	- -	24,675,500	+ 276,200	+ 795,000
- -	- -	8,026,100	+ 432,700	7,634,600	- -	- -	- -	7,634,600	+ 41,200	— 391,500
- -	- -	8,620,700	+ 277,200	8,512,500	32,200	- -	- -	8,544,700	+ 201,200	— 76,000
- -	- -	4,226,900	+ 78,700	1,116,300	3,113,300	- -	- -	4,229,600	+ 81,400	+ 2,700
- -	- -	5,096,800	+ 143,100	3,862,000	1,240,400	- -	- -	5,102,400	+ 148,700	+ 5,600
- -	- -	3,476,500	— 54,400	600	3,622,500	- -	- -	3,623,100	+ 92,200	+ 146,600
- -	- -	1,687,000	— 13,900	1,676,000	15,800	- -	- -	1,691,800	— 9,100	+ 4,800
- -	- -	1,644,600	+ 34,300	943,800	701,400	- -	- -	1,645,200	+ 34,900	+ 600
- -	- -	1,497,800	— 13,300	909,200	658,000	- -	- -	1,567,200	+ 56,100	+ 69,400
- -	- -	390,400	+ 20,500	197,400	194,800	- -	- -	392,200	+ 22,300	+ 1,800
- -	- -	778,900	+ 13,900	762,100	- -	- -	- -	762,100	— 2,900	— 16,800
- -	- -	59,326,200	+ 400,000	41,366,600	18,501,800	- -	- -	59,868,400	+ 942,200	+ 542,200
58,000	25,300	882,500	+ 76,100	743,100	130,400	25,000	12,500	911,000	+ 104,600	+ 28,500
- -	- -	1,458,200	+ 29,300	1,491,700	6,700	- -	- -	1,498,400	+ 74,500	+ 45,200
12,500	5,500	910,900	+ 131,400	884,000	300	5,500	2,800	892,600	+ 113,100	— 18,300
- -	- -	181,300	— 85,000	227,000	- -	- -	- -	227,000	— 39,300	+ 45,700
12,500	5,500	2,545,400	+ 75,700	2,602,700	7,000	5,500	2,800	2,618,000	+ 148,300	+ 72,600
- -	- -	372,900	+ 19,100	20,700	343,800	- -	- -	364,500	+ 10,700	— 8,400
- -	- -	300,800	— 20,200	42,600	268,000	- -	- -	310,600	— 10,400	+ 9,800
- -	- -	382,200	+ 25,200	17,000	349,500	- -	- -	366,500	+ 9,500	— 15,700
- -	- -	231,100	+ 32,000	88,600	130,900	- -	- -	219,500	+ 20,400	— 11,600
- -	- -	211,900	+ 8,300	1,400	212,100	- -	- -	213,500	+ 9,900	+ 1,600
2,200	1,000	62,600	— 900	400	60,500	2,200	1,100	64,200	+ 700	+ 1,600
500	200	82,100	+ 8,800	7,700	69,000	200	100	77,000	+ 3,700	— 5,100
2,700	1,200	1,643,600	+ 72,300	178,400	1,433,800	2,400	1,200	1,615,800	+ 44,500	— 27,800
100,800	43,900	360,300	+ 10,100	159,300	47,000	98,400	49,200	353,900	+ 3,700	— 6,400
- -	- -	79,900	+ 10,600	24,500	49,500	- -	- -	74,000	+ 4,700	— 5,900
- -	- -	49,200	+ 7,800	178,500	- -	- -	- -	178,500	+ 137,100	+ 129,300
10,000	4,400	401,700	+ 41,200	68,400	281,400	2,500	1,200	353,500	— 7,000	— 48,200
110,800	48,300	891,100	+ 69,700	430,700	377,900	100,900	50,400	959,900	+ 138,500	+ 68,800
200	100	16,168,100	+ 1,508,100	14,604,100	939,500	200	100	15,543,900	+ 883,900	— 624,200
- -	- -	3,463,000	+ 283,000	3,260,000	- -	- -	- -	3,260,000	+ 80,000	— 203,000
1,000	400	23,800	— 8,600	27,500	- -	900	400	28,800	— 3,600	+ 5,000
1,200	500	19,654,900	+ 1,782,500	17,891,600	939,500	1,100	500	18,832,700	+ 960,300	— 822,200
- -	- -	1,371,600	+ 147,900	705,200	618,000	- -	- -	1,323,200	+ 99,500	— 48,400
- -	- -	689,500	— 66,700	704,400	- -	- -	- -	704,400	— 51,800	+ 14,900
- -	- -	188,500	+ 7,800	42,500	146,600	- -	- -	189,100	+ 8,400	+ 600
- -	- -	2,249,600	+ 89,000	1,452,100	764,600	- -	- -	2,216,700	+ 56,100	— 32,900
- -	- -	47,500	+ 4,000	42,100	- -	- -	- -	42,100	— 1,400	— 5,400
26,200	11,400	568,200	+ 14,600	10,500	512,200	27,700	13,900	564,300	+ 10,700	— 3,900
26,200	11,400	615,700	+ 18,600	52,600	512,200	27,700	13,900	606,400	+ 9,300	— 9,300
36,300	15,800	707,800	— 18,400	627,400	- -	30,200	15,100	672,700	— 53,500	— 35,100
7,500	3,300	69,100	— 4,900	54,300	- -	8,000	4,000	66,300	— 7,700	— 2,800
43,800	19,100	776,900	— 23,300	681,700	- -	38,200	19,100	739,000	— 61,200	— 37,900
255,200	111,300	88,585,900	+ 2,560,600	65,399,500	22,667,200	200,800	100,400	88,367,900	+ 2,342,600	— 218,000

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1890-91. India. Imperial.	India. Provincial and Local.	England.	Exchange.* 1 s. 6·089 d.	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
	Rx.	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
DIRECT DEMANDS ON THE REVENUES:							
1.—Refunds and Drawbacks	165,922	69,741	- -	- -	235,663	175,800	74,400
2.—Assignments and Compensations	562,808	947,284	- -	- -	1,510,092	570,300	964,900
Charges in respect of Collection, viz.:							
3.—Land Revenue	339,558	3,336,578	347	113	3,676,596	370,900	3,461,300
4.—Opium (including Cost of Production)	2,180,280	- -	390	127	2,180,797	1,885,100	- -
5.—Salt (including Cost of Production)	416,352	12,173	368	120	429,013	442,600	15,400
6.—Stamps	— 8,745	93,365	34,218	11,181	130,019	— 1,400	89,400
7.—Excise	130,308	44,673	54	18	175,053	141,300	47,500
8.—Provincial Rates	- -	54,040	- -	- -	54,040	- -	56,800
9.—Customs	48,102	86,550	- -	- -	134,652	52,200	84,900
10.—Assessed Taxes	15,151	14,095	- -	- -	29,246	15,400	14,300
11.—Forest	361,549	419,900	2,008	656	784,113	411,000	467,800
12.—Registration	98,723	98,008	- -	- -	196,731	103,600	102,800
Total	4,310,008	5,176,407	37,385	12,215	9,536,015	4,166,800	5,379,500
INTEREST:							
13.—Interest on Debt † other than that charged to Railways and Irrigation Works.	348,181	61,908	2,512,812	821,063	3,743,964	— 8,700	75,900
14.—Interest on other Obligations	448,937	2,154	188	61	451,340	474,500	1,900
Total	797,118	64,062	2,513,000	821,124	4,195,304	465,800	77,800
POST OFFICE, TELEGRAPH, AND MINT:							
15.—Post Office	1,181,118	111,113	78,774	25,739	1,396,744	1,258,300	113,300
16.—Telegraph	692,008	310	121,848	39,814	763,980	691,800	400
17.—Mint	105,184	- -	12,590	4,114	121,888	82,400	- -
Total	1,888,310	111,423	213,212	69,667	2,282,612	1,942,500	113,700
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:							
18.—General Administration	592,784	819,515	247,346	80,820	1,740,465	604,100	824,500
19.—Law and Justice { Courts	101,013	2,657,578	633	207	2,759,431	108,700	2,722,000
19.—Law and Justice { Jails	150,897	715,563	- -	- -	866,460	152,600	738,600
20.—Police	819,891	3,039,792	- -	- -	3,859,683	761,200	3,044,200
21.—Marine (including River Navigation)	257,549	148,147	115,742	37,819	559,257	286,000	169,400
22.—Education	19,618	1,350,092	1,526	499	1,371,735	22,000	1,389,900
23.—Ecclesiastical	165,466	- -	406	133	166,005	160,400	- -
24.—Medical	34,776	763,626	6,433	2,102	806,937	35,500	831,300
25.—Political	684,455	54,302	23,956	7,828	770,541	728,800	55,500
26.—Scientific and other Minor Departments	312,842	144,937	21,080	6,888	485,747	411,000	155,800
Total	3,139,291	9,693,552	417,122	136,296	13,386,261	3,270,300	9,931,200
MISCELLANEOUS CIVIL CHARGES:							
27.—Territorial and Political Pensions	506,361	- -	15,985	5,223	527,569	490,200	- -
28.—Civil Furlough and Absentee Allowances	1,839	- -	174,040	56,868	232,747	1,100	- -
29.—Superannuation Allowances and Pensions	85,882	740,103	1,677,448	548,108	3,051,541	82,200	767,500
30.—Stationery and Printing	107,190	419,137	49,828	16,281	592,436	84,200	455,500
32.—Miscellaneous	52,030	184,329	28,539	9,325	274,223	38,100	171,100
Total	753,302	1,343,569	1,945,840	635,805	4,678,516	695,800	1,394,100
FAMINE RELIEF AND INSURANCE:							
33.—Famine Relief	- -	5,579	- -	- -	5,579	1,500	31,900
34.—Construction of Protective Railways	- -	- -	- -	- -	- -	294,900	- -
35.—Construction of Protective Irrigation Works	74,392	- -	- -	- -	74,392	78,800	- -
36.—Reduction of Debt	520,029	- -	- -	- -	520,029	802,800	- -
Total‡	594,421	5,579	- -	- -	600,000	1,178,000	31,900
Carried over	11,482,450	16,394,592	5,126,559	1,675,107	34,678,708	11,719,200	16,928,200

†The "Interest on Debt" is distributed as follows:—

	ACCOUNTS, 1890-91. India.	England.	Exchange.	TOTAL.
	Rx.	£.	*Rx.*	*Rx.*
Interest on Debt (other than that charged to Railways and Irrigation Works) as above	410,089	2,512,812	821,063	3,743,964
Under Railway Revenue Account	2,876,517	988,187	322,891	4,187,595
Under Irrigation	1,081,439	- -	- -	1,081,439
TOTAL	4,368,045	3,500,999	1,143,954	9,012,998

* See foot-note to Statement A.

‡The following further sums, which are included under XXVI. and 38 State Railways, are chargeable to the grant for Famine Relief and Insurance, as representing the net charge on the Revenues on account of Protective railways constructed through the agency of Companies:—

	Accounts, 1890-91.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.
	Rx.	*Rx.*	*Rx.*
Indian Midland Railway	244,190	225,800	220,100
Bengal-Nagpur Railway	238,161	64,300	73,200
TOTAL	482,351	290,100	293,300

REVENUES of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1891-92.			Increase + Decrease — of Revised as compared with Budget Estimates, 1891-92.	BUDGET ESTIMATE, 1892-93.					Increase + Decrease — of Budget, 1892-93, as compared with Budget Estimates, 1891-92.	Increase + Decrease — of Budget, 1892-93, as compared with Revised Estimates, 1890-91.
England.	Exchange.* 1 s. 4·713 d.	TOTAL.		India.		England.	Exchange.* 1 s. 4 d.	TOTAL.		
				Imperial.	Provincial and Local.					
£.	Rx.	Rx.	Rx.	Rx.	Rx.	£.	Rx.	Rx.	Rx.	Rx.
- -	- -	250,200	+ 18,800	175,200	67,500	- -	- -	242,700	+ 11,300	— 7,500
- -	- -	1,535,200	+ 12,800	543,700	972,000	- -	- -	1,515,700	— 6,700	— 19,500
700	300	3,833,200	— 54,200	360,200	3,669,700	700	400	4,031,000	+ 143,600	+ 197,800
800	300	1,886,200	—388,400	2,233,900	- -	600	300	2,234,800	— 39,800	+ 348,600
1,100	500	459,600	— 7,300	429,900	67,300	200	100	497,500	+ 30,600	+ 37,900
33,500	14,600	136,100	+ 3,700	—26,200	113,100	36,000	18,000	140,900	+ 8,500	+ 4,800
100	- -	188,900	+ 200	155,800	50,300	- -	- -	206,100	+ 17,400	+ 17,200
- -	- -	56,800	+ 5,000	- -	59,500	- -	- -	59,500	+ 7,700	+ 2,700
100	- -	137,200	- 3,400	52,100	90,100	100	- -	142,300	+ 1,700	+ 5,100
- -	- -	29,700	— 1,900	16,200	15,600	- -	- -	31,800	+ 200	+ 2,100
700	300	879,800	— 25,900	532,400	435,600	1,700	800	970,500	+ 64,800	+ 90,700
- -	- -	206,400	+ 4,500	107,600	106,200	- -	- -	213,800	+ 11,900	+ 7,400
37,000	16,000	9,599,300	—436,100	4,580,800	5,646,900	39,300	19,600	10,286,600	+ 251,200	+ 687,300
2,639,300	1,150,800	3,857,300	+464,400	—215,700	92,500	2,395,800	1,197,900	3,470,500	+ 77,600	— 386,800
200	100	476,700	+ 2,400	504,300	2,000	200	100	506,600	+ 32,300	+ 29,900
2,639,500	1,150,900	4,334,000	+466,800	288,600	94,500	2,396,000	1,198,000	3,977,100	+ 109,900	— 356,900
96,400	42,000	1,510,000	+ 51,000	1,294,500	115,500	96,900	48,500	1,555,400	+ 96,400	+ 45,400
160,200	69,900	832,300	+ 39,900	642,300	400	156,300	78,200	877,200	+ 84,800	+ 44,900
11,000	4,800	98,200	— 18,500	95,800	- -	13,000	6,500	115,300	— 1,400	+ 17,100
267,600	116,700	2,440,500	+ 72,400	2,032,600	115,900	266,200	133,200	2,547,900	+ 179,800	+ 107,400
249,400	108,700	1,786,700	+ 22,900	620,800	837,800	248,700	124,300	1,831,600	+ 67,800	+ 44,900
700	300	2,831,700	— 12,500	112,200	2,742,100	4,200	2,100	2,860,600	+ 16,400	+ 28,900
- -	- -	891,200	— 24,900	156,000	752,900	- -	- -	908,900	— 7,200	+ 17,700
- -	- -	3,805,400	—133,100	720,400	3,189,600	- -	- -	3,910,000	— 28,500	+ 104,600
145,100	63,300	663,800	— 46,800	351,900	161,700	177,700	88,900	780,200	+ 69,600	+ 116,400
1,800	800	1,414,500	— 12,400	23,300	1,471,000	1,600	800	1,496,700	+ 69,800	+ 82,200
400	200	161,000	— 8,900	168,700	- -	400	200	169,300	— 600	+ 8,300
7,000	3,000	876,800	+ 43,700	40,400	878,300	8,300	4,100	931,100	+ 98,000	+ 54,300
25,900	11,300	821,500	+ 56,700	679,600	58,800	22,100	11,100	771,600	+ 6,800	— 49,900
30,800	13,400	611,000	+ 2,400	250,400	164,000	38,700	19,400	472,500	— 136,100	— 138,500
461,100	201,000	13,863,600	—112,900	3,123,700	10,256,200	501,700	250,900	14,132,500	+ 156,000	+ 268,900
54,200	23,600	568,000	+ 38,000	500,400	- -	23,900	11,900	536,200	+ 6,200	— 31,800
193,700	84,500	279,300	— 12,800	1,000	- -	209,000	104,500	314,500	+ 22,400	+ 35,200
1,730,600	754,600	3,334,900	+116,400	83,200	792,100	1,748,200	874,100	3,497,600	+ 279,100	+ 162,700
41,400	18,100	599,200	+ 27,200	97,700	408,900	46,800	23,400	576,800	+ 4,800	— 22,400
37,900	16,500	263,600	— 96,700	38,500	165,200	28,100	14,000	245,800	— 114,500	— 17,800
2,057,800	897,300	5,045,000	+ 72,100	720,800	1,366,200	2,056,000	1,027,900	5,170,900	+ 198,000	+ 125,900
- -	- -	33,400	+ 30,400	- -	130,000	- -	- -	130,000	+ 127,000	+ 96,600
- -	- -	294,900	—680,100	1,011,700	- -	- -	- -	1,011,700	+ 36,700	+716,800
- -	- -	78,800	+ 13,800	65,000	- -	- -	- -	65,000	- -	— 13,800
- -	- -	802,800	+802,800	- -	- -	- -	- -	- -	- -	— 802,800
- -	- -	1,209,900	+166,900	1,076,700	130,000	- -	- -	1,206,700	+ 163,700	— 3,200
5,463,000	2,381,900	36,492,300	+229,200	11,823,200	17,609,700	5,259,200	2,629,600	37,321,700	+1,058,600	+ 829,400

REVISED ESTIMATE, 1891-92.				BUDGET ESTIMATE, 1892-93.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
Rx.	£.	Rx.	Rx.	Rx.	£.	Rx.	Rx.
67,200	2,639,300	1,150,800	3,857,300	— 123,200	2,395,800	1,197,900	3,470,500
2,999,200	1,163 900	507,400	4,670,500	3,160,300	1,237,200	618,600	5,016,100
1,109,600	- -	- -	1,109,600	1,138,900	- -	- -	1,138,900
4,176,000	3,803,200	1,658,200	9,637,400	4,176,000	3,633,000	1,816,500	9,625,500

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1890-91.					REVISED
	India.		England.	Exchange.* 1 s. 6·089 d.	TOTAL.	India.
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
	Rx.	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward - - -	11,482,450	16,394,592	5,126,559	1,675,107	34,678,708	11,719,200	16,928,200
37.—CONSTRUCTION of RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	- -	—4,812	- -	- -	—4,812	- -	182,600
RAILWAY REVENUE ACCOUNT:							
38.—State Railways: Working Expenses - -	5,807,449	964,491	- - -	- -	6,771,940	6,825,300	1,317,900
Interest on Debt - - - - -	2,363,625	493,477	865,342	282,751	4,005,195	2,474,000	505,800
Annuities in purchase of Railways - -	- -	- -	1,690,632	552,415	2,243,047	- -	- -
Interest chargeable against Companies on Advances.	- -	- -	122,845	40,140	162,985	- -	- -
Interest on Capital deposited by Companies	19,415	- -	669,258	218,681	907,354	27,100	- -
39.—Guaranteed Companies: Surplus Profits, Land, and Supervision.	516,322	- -	- -	- -	516,322	750,500	- -
Interest - - - - - - - - -	7,597	- -	2,354,130	769,214	3,130,941	38,500	- -
40.—Subsidised Companies: Land, &c. - -	21,662	14,626	- -	- -	36,288	22,400	14,400
Advances of Interest - - - -	—	—	—	—	—	900	—
41.—Miscellaneous Railway Expenditure - -	119,080	30,117	- -	- -	149,197	78,800	10,200
Total - - -	8,855,150	1,502,711	5,702,207	1,863,201	17,923,269	10,217,500	1,848,300
IRRIGATION:							
42.—Major Works: Working Expenses - -	376,781	381,632	- -	- -	758,413	388,300	384,500
Interest on Debt - - - - -	565,246	516,193	- -	- -	1,081,439	589,300	520,300
43.—Minor Works and Navigation - - -	279,523	619,855	2,184	714	902,276	357,900	722,500
Total - - -	1,221,550	1,517,680	2,184	714	2,742,128	1,335,500	1,627,300
BUILDINGS AND ROADS;							
44.—Military Works - - - - - -	1,190,117	- -	23,033	7,526	1,220,676	1,199,800	- -
45.—Civil Works - - - - - -	596,751	3,788,371	94,297	30,812	4,510,231	720,400	4,170,500
Total - - -	1,786,868	3,788,371	117,330	38,338	5,730,907	1,920,200	4,170,500
ARMY SERVICES:							
46.—Army: Effective - - - - -	13,836,963	- -	2,344,493	766,065	16,947,521	14,682,200	- -
Non effective - - - -	962,165	- -	2,095,632	684,750	3,742,547	942,800	- -
Total - - -	14,799,128	- -	4,440,125	1,450,815	20,690,068	15,625,000	- -
SPECIAL DEFENCE WORKS:							
47.—Special Defence Works - - - -	252,398	- -	180,470	58,969	491,837	299,400	- -
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL - - -	38,397,544	23,198,542	15,568,875	5,087,144	82,252,105	41,116,800	24,756,900
Add,—Portion of Allotments to Provincial Governments not spent by them in the Year - - - - -	- -	+169,981	- -	- -	+ 169,981	- -	+100,000
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances	- -	—368,608	- -	- -	— 368,608	- -	—561,500
TOTAL EXPENDITURE CHARGED AGAINST REVENUE - -	- -	22,999,915	- -	- -	82,053,478	- -	24,295,400

	ACCOUNTS, 1890-91.			
	India.	England.	Exchange.	TOTAL.
EXPENDITURE NOT CHARGED TO REVENUE:	*Rx.*	£.	*Rx.*	*Rx.*
Capital Outlay on Railways and Irrigation Works:				
48.—State Railways: Construction - - -	1,459,032	1,072,357	350,394	2,881,783
49.—Irrigation Works - - - - - -	474,156	7,306	2,387	483,849
TOTAL - - -	1,933,188	1,079,663	352,781	3,365,632
50.—CAPITAL CHARGE INVOLVED IN REDEMPTION OF LIABILITIES.	- -	4,692,557	- -	4,692,557

* *See* foot-note to Statement A.

REVENUES of INDIA, in INDIA and in ENGLAND—*continued.*

ESTIMATE, 1891-92.			Increase + Decrease — of Revised, as compared with Budget Estimates, 1891-92.	BUDGET ESTIMATE, 1892-93.					Increase + Decrease — of Budget, 1892-93, as compared with Budget, Estimates 1891-92.	Increase + Decrease — of Budget, 1892-93, as compared with Revised Estimates, 1891-92.
England.	Exchange.* 1 *s.* 4·713 *d.*	TOTAL.		India. Imperial.	India. Provincial and Local.	England.	Exchange.* 1 *s.* 4 *d.*	TOTAL.		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
5,463,000	2,381,900	36,492,300	+ 229,200	11,823,200	17,609,700	5,259,200	2,629,600	37,321,700	+ 1,058,600	+ 829,400
- -	- -	182,600	— 27,900	118,300	183,200	- -	- -	301,500	+ 91,000	+ 118,900
- -	- -	8,143,200	+ 489,000	7,522,600	356,200	- -	- -	7,878,800	+ 224,600	— 264,400
1,006,000	438,600	4,424,400	+ 21,300	2,930,900	210,000	1,017,400	508,700	4,667,000	+ 263,900	+ 242,600
1,693,400	738,300	2,431,700	+ 75,400	- -	- -	1,696,600	848,300	2,544,900	+ 188,600	+ 113,200
157,900	68,800	226,700	+ 1,500	- -	- -	219,800	109,900	329,700	+ 104,500	+ 103,000
681,700	297,200	1,006,000	+ 38,100	31,200	- -	662,900	331,500	1,025,600	+ 57,700	+ 19,600
- -	- -	750,500	+ 151,500	600,000	- -	- -	- -	600,000	+ 1,000	— 150,500
2,114,200	921,800	3,074,500	+ 85,000	38,600	- -	2,145,100	1,072,600	3,256,300	+ 266,800	+ 181,800
- -	- -	36,800	— 13,300	26,800	14,900	- -	- -	41,700	— 8,400	+ 4,900
- -	- -	900	+ 900	3,200	- -	- -	- -	3,200	+ 3,200	+ 2,300
- -	- -	89,000	— 39,800	60,000	- -	- -	- -	60,000	— 68,800	— 29,000
5,653,200	2,464,700	20,183,700	+ 809,600	11,213,300	581,100	5,741,800	2,871,000	20,407,200	+1,033,100	+ 223,500
- -	- -	772,800	+ 19,100	390,000	381,000	- -	- -	771,000	+ 17,300	— 1,800
- -	- -	1,109,600	+ 2,600	605,200	533,700	- -	- -	1,138,900	+ 31,900	+ 29,300
300	100	1,080,800	+ 58,400	362,700	645,900	700	300	1,009,600	— 12,800	— 71,200
300	100	2,963,200	+ 80,100	1,357,900	1,560,600	700	300	2,919,500	+ 36,400	— 43,700
10,700	4,700	1,215,200	+ 84,900	1,126,200	- -	38,400	19,200	1,183,800	+ 53,500	— 31,400
99,300	43,300	5,033,500	+ 54,700	712,000	3,894,300	86,700	43,300	4,736,300	— 242,500	— 297,200
110,000	48,000	6,248,700	+ 139,600	1,838,200	3,894,300	125,100	62,500	5,920,100	— 189,000	— 328,600
2,640,700	1,151,400	18,474,300	+1,351,700	14,082,100	- -	2,397,400	1,198,700	17,678,200	+ 555,600	— 796,100
2,151,700	938,100	4,032,600	+ 104,000	924,600	- -	2,197,100	1,098,600	4,220,300	+ 291,700	+ 187,700
4,792,400	2,089,500	22,506,900	+1,455,700	15,006,700	- -	4,594,500	2,297,300	21,898,500	+ 847,300	— 608,400
174,500	76,100	550,000	— 297,000	270,900	- -	229,100	114,500	614,500	— 232,500	+ 64,500
16,193,400	7,060,300	89,127,400	+2,389,300	41,628,500	23,828,900	15,950,400	7,975,200	89,383,000	+2,644,900	+ 255,600
- -	- -	+ 100,000	—	—	—	—	—	—	—	—
- -	- -	— 561,500	- -	- -	—1,161,700	- -	- -	—1,161,700	—	—
- -	- -	88,665,900	- -	- -	22,667,200	- -	- -	88,221,300	—	—

REVISED ESTIMATE, 1891-92.				BUDGET ESTIMATE, 1892-93.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
Rx.	£.	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*
1,530,300	870,000	379,300	2,779,600	1,412,000	1,382,000	691,000	3,485,000
708,600	8,200	3,600	720,400	544,500	3,700	1,800	550,000
2,238,900	878,200	382,900	3,500,000	1,956,500	1,385,700	692,800	4,035,000
—	—	—	—	—	—	—	—

* *See* foot-note to Statement A.

C.—STATEMENT of Receipts and Disbursements

	ACCOUNTS, 1890-91.			REVISED ESTIMATE, 1891-92.			BUDGET ESTIMATE, 1892-93.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Revenue (from Statement A.)	85,221,551	392,009	85,613,560	88,219,400	255,200	88,474,600	88,066,700	200,800	88,267,500
Exchange added to Revenue	128,089	- -	128,089	111,300	- -	111,300	100,400	- -	100,400
Total	85,349,640	392,009	85,741,649	88,330,700	255,200	88,585,900	88,167,100	200,800	88,367,900
Permanent Debt Incurred:									
Sterling Debt:									
3 per Cent. Stock	- -	5,400,000	- -	- -	4,600,000	- -	- -	1,800,000	—
Debentures and Debenture Stock.	- -	1,495,000	—	—	—	—	—	—	—
Rupee Debt:									
4 per Cent. Rupee Loan	75	—	—	—	—	—	—	—	—
Loan from Rampur State	- -	- -	- -	- -	- -	- -	250,000	—	—
Total	75	6,895,000	6,895,075	- -	4,600,000	4,600,000	250,000	1,800,000	2,050,000
Net	- -	- -	**6,293,714**	- -	- -	**3,043,900**	- -	- -	**127,700**
Unfunded Debt:									
Treasury Notes	1,500	- -	- -	2,000	—	—	—	—	—
Deposits of Service Funds	129,593	- -	- -	131,400	- -	- -	132,900	—	—
Savings Bank Deposits	3,482,396	- -	- -	3,776,900	- -	- -	3,775,200	—	—
Total	3,613,489	- -	3,613,489	3,910,300	- -	3,910,300	3,908,100	- -	3,908,100
Net	- -	- -	**595,430**	- -	- -	**905,700**	- -	- -	**869,000**
Deposits and Advances:									
Balances of Provincial Allotments	169,981	- -	- -	100,000	—	—	—	—	—
Appropriation for reduction of Debt.	520,029	- -	- -	802,800	—	—	—	—	—
Excluded Local Funds	701,017	- -	- -	705,100	- -	- -	680,100	—	—
Political and Railway Funds	241,584	- -	- -	320,000	- -	- -	319,800	—	—
Deposits of Sinking Funds	- -	- -	- -	- -	- -	- -	9,000	—	—
Departmental and Judicial Deposits.	15,004,381	- -	- -	15,566,200	- -	- -	14,608,200	—	—
Advances	16,306,555	3,784	- -	7,366,100	3,300	- -	8,961,300	6,200	—
Suspense Accounts	166,073	- -	- -	47,700	- -	- -	42,000	—	—
Exchange on Remittance Accounts (net).	168,615	- -	- -	737,800	- -	- -	459,200	—	—
Miscellaneous	655,673	- -	- -	107,300	2,000	- -	61,000	—	—
Total	33,933,908	3,784	33,937,692	25,753,000	5,300	25,758,300	25,140,600	6,200	25,146,800
Net	- -	- -	**1,051,693**	- -	- -	**958,100**	—	—	—
Carried forward	122,897,112	7,290,793	- -	117,994,000	4,860,500	- -	117,465,800	2,007,000	—

of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND.

	ACCOUNTS, 1890-91.			REVISED ESTIMATE, 1891-92.			BUDGET ESTIMATE, 1892-93.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
EXPENDITURE, IMPERIAL and PROVINCIAL (from Statement B.).	61,596,086	15,568,875	77,164,961	65,873,700	16,193,400	82,067,100	65,457,400	15,950,400	81,407,800
Exchange, charged as Expenditure	5,087,144	- -	5,087,144	7,060,300	- -	7,060,300	7,975,200	- -	7,975,200
Add,—Provincial Surpluses, transferred to "Deposits."	169,981	- -	169,981	100,000	- -	100,000	—	—	—
Deduct,—Provincial Deficits, charged against "Deposits."	*—368,608*	- -	*—368,608*	*—561,500*	- -	*—561,500*	*—1,161,700*	- -	*—1,161,700*
Total - - -	66,484,603	15,568,875	82,053,478	72,472,500	16,193,400	88,665,900	72,270,900	15,950,400	88,221,300
EXPENDITURE NOT CHARGED TO REVENUE.									
Capital Outlay on Railways and Irrigation Works.	1,933,188	1,079,663	- -	2,238,900	878,200	- -	1,956,500	1,385,700	—
Capital Charge involved in Redemption of Liabilities.	- -	4,692,557	—	—	—	—	—	—	—
Add,—Exchange on Expenditure not charged to Revenue.	352,781	- -	- -	382,900	- -	- -	692,800	—	—
Total - - -	2,285,969	5,772,220	8,058,189	2,621,800	878,200	3,500,000	2,649,300	1,385,700	4,035,000
PERMANENT DEBT DISCHARGED:									
Sterling Debt:									
India 5 per Cent. Stock -	- -	1,306	—	—	—	—	—	—	—
India 4 per Cent. Stock -	- -	84,670	- -	- -	2,500	—	—	—	—
India 3½ per Cent. Debentures	- -	- -	- -	- -	1,386,000	—	—	—	—
Oudh and Rohilkund Railway Debentures.	- -	500,000	- -	- -	31,000	- -	- -	1,770,300	—
South Indian Railway Debentures.	- -	- -	- -	- -	86,100	- -	- -	150,000	—
Rupee Debt:									
5½ per Cent. Loans - -	200	—	—	—	—	—	—	—	—
5 per Cent. Loans - - -	470	—	—	—	—	—	—	—	—
4½ per Cent. Loans - -	3,876	- -	- -	2,200	- -	- -	1,000	—	—
4 per Cent. Loans - -	671	- -	- -	43,700	- -	- -	500	—	—
Provincial Debentures - -	9,710	- -	- -	4,500	- -	- -	500	—	—
Stock Notes - - - -	458	- -	- -	100	- -	—	—	—	—
Total - - -	15,385	585,976	601,361	50,500	1,505,600	1,556,100	2,000	1,920,300	1,922,300
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
UNFUNDED DEBT:									
Special Loans - - - -	809	- -	- -	100	- -	- -	100	—	—
Treasury Notes - - -	2,800	- -	- -	1,000	- -	—	—	—	—
Deposits of Service Funds -	85,674	- -	- -	88,500	- -	- -	88,500	—	—
Savings Bank Deposits - -	2,928,776	- -	- -	2,915,000	- -	- -	2,950,500	—	—
Total - - -	3,018,059	- -	3,018,059	3,004,600	- -	3,004,600	3,039,100	- -	3,039,100
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
DEPOSITS AND ADVANCES:									
Balances of Provincial Allotments	368,608	- -	- -	561,500	- -	- -	1,161,700	—	—
Excluded Local Funds - -	731,118	- -	- -	691,200	- -	- -	690,200	—	—
Political and Railway Funds -	231,040	- -	- -	330,400	- -	- -	305,100	—	—
Departmental and Judicial Deposits.	15,009,541	- -	- -	15,523,900	- -	- -	14,610,400	—	—
Advances - - - - -	16,311,952	7,498	- -	7,391,200	3,000	- -	8,941,400	1,100	—
Suspense Accounts - - -	166,862	- -	- -	83,900	- -	- -	41,400	—	—
Miscellaneous - - - - -	59,369	11	- -	214,400	700	- -	194,700	500	—
Total - - -	32,878,490	7,509	32,885,999	24,796,500	3,700	24,800,200	25,944,900	1,600	25,946,500
Net - - -	- -	- -	0	- -	- -	0	- -	- -	799,700
Carried forward - - -	104,682,506	21,934,580	- -	102,945,900	18,580,900	- -	103,906,200	19,258,000	—

C.—STATEMENT of Receipts and Disbursements

	ACCOUNTS, 1890–91.			REVISED ESTIMATE, 1891–92.			BUDGET ESTIMATE, 1892–93.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward	122,897,112	7,290,723	- -	117,994,000	4,860,500	- -	117,465,800	2,007,000	—
Loans to Native States and Presidency Corporations, &c.	87,933	- -	87,933	114,200	- -	114,200	98,200	- -	98,200
Net	- -	- -	0	- -	- -	0	- -	- -	0
Loans and Advances by Provincial Governments.	235,331	- -	235,331	243,900	- -	243,900	230,200	- -	230,200
Net	- -	- -	0	- -	- -	0	- -	- -	0
Capital Receipts from Railway Companies:									
On account of Subscribed Capital.	20,000	86,400	- -	195,800	979,700	- -	160,000	1,788,200	—
Repayments	1,321,709	5,693	- -	1,184,800	8,000	- -	1,110,600	—	—
Total	1,341,709	92,093	1,433,802	1,380,600	987,700	2,368,300	1,270,600	1,788,200	3,058,800
Net	- -	- -	0	- -	- -	0	- -	- -	0
Remittances:									
Inland Money Orders	16,484,723	- -	- -	17,609,000	- -	- -	19,300,000	—	—
Other Departmental Accounts	260,656	- -	- -	689,600	- -	- -	654,000	—	—
Net Receipts by Civil Treasuries from—									
Post Office	617,192	- -	- -	745,900	- -	- -	805,400	—	—
Telegraph	- -	- -	- -	26,500	- -	- -	—	—	—
Guaranteed Railways	3,575,421	- -	- -	3,716,700	- -	- -	3,379,100	—	—
Public Works	- -	- -	- -	132,600	- -	- -	—	—	—
Net Receipts from Civil Treasuries by—									
Telegraph	51,550	- -	- -	- -	- -	- -	5,500	—	—
Marine	209,710	- -	- -	237,500	- -	- -	267,000	—	—
Military	13,816,919	- -	- -	14,157,000	- -	- -	13,718,600	—	—
Public Works	477,068	- -	- -	422,700	- -	- -	810,400	—	—
Remittance Account between England and India.	862,388	199,565	- -	1,085,000	187,700	- -	1,338,100	125,000	—
Total	36,355,627	199,565	36,555,192	38,813,500	187,700	39,001,200	40,278,100	125,000	40,403,100
Net	- -	- -	0	- -	- -	546,700	- -	- -	0
Secretary of State's Bills Drawn.	- -	15,969,034	15,969,034	- -	16,200,000	16,200,000	- -	17,000,000	17,000,000
Total Receipts	160,917,712	23,551,485	- -	158,546,200	22,235,900	- -	159,342,900	20,920,200	—
Opening Balance	14,748,821	5,402,873	- -	17,876,244	3,835,050	- -	16,750,044	3,261,050	—
GRAND TOTAL	175,666,533	28,954,358	- -	176,422,444	26,070,950	- -	176,092,944	24,181,250	—

Fort William, Finance and Commerce Department,
18 March 1892.

C. R. C. Kiernander,
Deputy Comptroller General.

D.—ACCOUNT of Provincial and Local Savings charged to Revenue, and held

	India.	Central Provinces.	Burma.	Assam.
Accounts, 1890–91.*				
Balance at end of 1889–90	*Rx.* 12,579	*Rx.* 297,429	*Rx.* 278,102	*Rx.* 124,706
Added in 1890–91	483	- -	117,411	- -
Spent in 1890–91	- -	32,166	- -	2,547
Balance at end of 1890–91	13,062	265,263	395,513	122,159
Revised Estimate, 1891–92.				
Balance at end of 1890–91 (by Accounts)	13,062	265,263	395,513	122,159
Added in 1891–92	- -	16,300	(*a*) 71,300	12,400
Spent in 1891–92	- -	- -	(*b*) 2,400	- -
Balance at end of 1891–92	13,062	281,563	464,413	134,559
Budget Estimate, 1892–93.				
Balance at end of 1891–92 (by Revised Estimate).	13,062	281,563	464,413	134,559
Spent in 1892–93	2,000	73,600	165,200	52,200
Balance at end of 1892–93	11,062	207,963	299,213	82,359

Note.—These Balances do not include the Balances

Provincial and

* *See* Appropriation Report, Abstract D.

(*a*) Lower Burma.

(*b*) Upper Burma.

Fort William, Finance and Commerce Department,
18 March 1892.

C. R. C. Kiernander,
Deputy Comptroller General.

of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND—*continued.*

	ACCOUNTS, 1890-91.			REVISED ESTIMATE, 1891-92.			BUDGET ESTIMATE, 1892-93.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward - - -	104,682,506	21,934,580	- -	102,945,900	18,580,900	- -	103,906,200	19,258,000	—
Loans to Native States and Presidency Corporations, &c.	544,301	- -	544,301	578,200	- -	578,200	277,000	- -	277,000
Net - - -	- - - -		456,368	- - - -		464,000	- - - -		178,800
Loans and Advances by Provincial Governments.	511,023	- -	511,023	715,200	- -	715,200	662,900	- -	662,900
Net - - -	- - -		275,692	- - - -		471,300	- - - -		432,700
Payments to Railway Companies on Capital Account:									
For discharge of Debentures	- -	898,100	- -	- -	2,024,900	- -	- -	138,200	—
For Expenditure - -	1,829,580	1,360,338	- -	1,166,400	1,101,500	- -	1,679,100	1,292,100	—
Total - - -	1,829,580	2,258,438	4,088,018	1,166,400	3,126,400	4,292,800	1,679,100	1,430,300	3,109,400
Net - - -	- -	- -	2,654,216	- -	- -	1,924,500	- -	- -	50,600
Remittances:									
Inland Money Orders - -	16,485,629	- -	- -	17,600,000	- -	- -	19,300,000	—	—
Other Local Remittances -	33,310	- -	- -	- -	- -	- -	—	—	—
Other Departmental Accounts	258,084	- -	- -	689,600	- -	- -	654,000	—	—
Net Payments into Civil Treasuries by—									
Post Office - - -	617,194	- -	- -	745,900	- -	- -	805,400	—	—
Telegraph - - - -	- -	- -	- -	26,500	- -	- -	—	—	—
Guaranteed Railways -	3,572,992	- -	- -	3,716,700	- -	- -	3,379,100	—	—
Net Issues from Civil Treasuries to—									
Telegraph - - - -	49,473	- -	- -	- -	- -	- -	5,500	—	—
Marine - - - -	210,771	- -	- -	237,500	- -	- -	267,000	—	—
Military - - - -	13,816,919	- -	- -	14,157,000	- -	- -	13,718,600	—	—
Public Works - - -	546,225	- -	- -	- -	- -	- -	810,400	—	—
Remittance Account between England and India.	160,583	926,290	- -	178,700	1,102,600	- -	162,400	1,316,800	—
Total - - -	35,751,180	926,290	36,677,470	37,351,900	1,102,600	38,454,500	39,102,400	1,316,800	40,419,200
Net - - -	- -	- -	122,278	- -	- -	0	- -	- -	16,100
SECRETARY OF STATE'S BILLS PAID.	14,471,699	- -	14,471,699	16,914,800	- -	16,914,800	17,166,500	- -	17,166,500
TOTAL DISBURSEMENTS -	157,790,289	25,119,308	- -	159,672,400	22,809,900	- -	162,794,100	22,005,100	—
Closing Balance - -	17,876,244	3,835,050	- -	16,750,044	3,261,050	- -	13,298,844	2,176,150	—
GRAND TOTAL - - -	175,666,533	28,954,358	- -	176,422,444	26,070,950	- -	176,092,944	24,181,250	—

Stephen Jacob,
Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL CONTRACTS.

LOCAL BALANCES.

of Deposits and Advances upon Local Fund Accounts.

Bengal.	North Western Provinces and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
590,574	561,046	449,168	1,403,797	906,064	4,623,465
- - -	17,750	34,337	- - -	- - -	169,981
153,877	- - -	- - -	94,821	85,197	368,608
436,697	578,796	483,505	1,308,976	820,867	4,424,838
436,697	578,796	483,505	1,308,976	820,867	4,424,838
- - -	- - -	- - -	- - -	- - -	100,000
83,400	3,400	12,600	387,600	72,100	561,500
353,297	575,396	470,905	921,376	748,767	3,963,338
353,297	575,396	470,905	921,376	748,767	3,963,338
73,200	76,500	121,200	406,700	191,100	1,161,700
280,097	498,896	349,705	514,676	557,667	2,801,638

Stephen Jacob,
Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—ENGLAND and INDIA.

NET REVENUE.

	ACCOUNTS, 1890-91.				
	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Land Revenue	24,045,209	49,982	23,995,227	3,676,596	20,318,631
Opium	7,879,182	1	7,879,181	2,180,797	5,698,384
Salt	8,523,368	35,660	8,487,708	429,013	8,058,695
Stamps	4,068,969	46,471	4,022,498	130,019	3,892,479
Excise	4,947,780	30,450	4,917,330	175,053	4,742,277
Provincial Rates	3,491,240	4,257	3,486,983	54,040	3,432,943
Customs	1,743,218	46,178	1,697,040	134,652	1,562,388
Assessed Taxes	1,617,396	16,525	1,600,871	29,246	1,571,625
Forest	1,448,002	5,309	1,442,693	784,113	658,580
Registration	365,449	830	364,619	196,731	167,888
Tributes from Native States	760,421	-	760,421	-	760,421
	58,890,234	235,663	58,654,571	7,790,260	50,864,311
Deduct,—Assignments and Compensations	-	-	-	-	1,510,092
TOTAL NET REVENUE	-	-	-	-	49,354,219

NET EXPENDITURE.

	ACCOUNTS, 1890-91.		
	Gross Expenditure.	Receipts.	Net Expenditure.
	Rx.	*Rx.*	*Rx.*
Interest	4,195,304	931,050	3,264,254
Post Office, Telegraph, and Mint	2,282,612	2,537,689	— 255,077
Civil Departments	13,386,261	1,612,069	11,774,192
Miscellaneous Civil Charges	4,678,516	927,127	3,751,389
Famine Relief and Insurance	600,000	-	600,000
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	— 4,812	-	— 4,812
Railway Revenue Account	17,923,269	17,235,978	687,291
Irrigation	2,742,128	2,172,578	569,550
Buildings and Roads	5,730,907	649,289	5,081,618
Army Services	20,690,068	785,635	19,904,433
Special Defence Works	491,837	-	491,837
	72,716,090	26,851,415	45,864,675
Provincial and Local Surpluses and Deficits	+ 169,981 — 368,608	-	— 198,627
TOTAL NET EXPENDITURE	-	-	45,666,048
Surplus (+) or deficit (—)	-	-	+ 3,688,171
			49,354,219

Fort William, Finance and Commerce Department,
18 March 1892.

C. R. C. Kiernander,
Deputy Comptroller General.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—ENGLAND and INDIA.

NET REVENUE.

REVISED ESTIMATE, 1891-92.					BUDGET ESTIMATE, 1892-93.				
Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
23,880,500	66,100	23,814,400	3,833,200	19,981,200	24,675,500	47,200	24,628,300	4,031,000	20,597,300
8,026,100	- -	8,026,100	1,886,200	6,139,900	7,634,600	100	7,634,500	2,234,800	5,399,700
8,620,700	37,000	8,583,700	459,600	8,124,100	8,544,700	39,800	8,504,900	497,500	8,007,400
4,226,900	47,400	4,179,500	136,100	4,043,400	4,229,600	47,000	4,182,600	140,900	4,041,700
5,096,800	31,400	5,065,400	188,900	4,876,500	5,102,400	30,600	5,071,800	206,100	4,865,700
3,476,500	4,500	3,472,000	56,800	3,415,200	3,623,100	5,300	3,617,800	59,500	3,558,300
1,687,000	42,700	1,644,300	137,200	1,507,100	1,691,800	55,000	1,636,800	142,300	1,494,500
1,644,600	14,300	1,630,300	29,700	1,600,600	1,645,200	14,200	1,631,000	31,800	1,599,200
1,497,800	5,300	1,492,500	879,800	612,700	1,567,200	2,400	1,564,800	970,500	594,300
390,400	1,500	388,900	206,400	182,500	392,200	1,100	391,100	213,800	177,300
778,900	- -	778,900	- -	778,900	762,100	- -	762,100	- -	762,100
59,326,200	250,200	59,076,000	7,813,900	51,262,100	59,868,400	242,700	59,625,700	8,528,200	51,097,500
- -	- -	- -	- -	1,535,200	- -	- -	- -	- -	1,515,700
- -	- -	- -	- -	49,726,900	- -	- -	- -	- -	49,581,800

NET EXPENDITURE.

REVISED ESTIMATE, 1891-92.			BUDGET ESTIMATE, 1892-93.		
Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
4,334,000	882,500	3,451,500	3,977,100	911,000	3,066,100
2,440,500	2,545,400	— 104,900	2,547,900	2,618,000	— 70,100
13,863,600	1,643,600	12,220,000	14,132,500	1,615,800	12,516,700
5,045,000	891,100	4,153,900	5,170,900	959,900	4,211,000
1,209,900	- - -	1,209,900	1,206,700	- - -	1,206,700
182,600	- - -	182,600	301,500	- - -	301,500
20,183,700	19,654,900	528,800	20,407,200	18,832,700	1,574,500
2,963,200	2,249,600	713,600	2,919,500	2,216,700	702,800
6,248,700	615,700	5,633,000	5,920,100	606,400	5,313,700
22,506,900	776,900	21,730,000	21,898,500	739,000	21,159,500
550,000	- - -	550,000	614,500	- - -	614,500
79,528,100	29,259,700	50,268,400	79,096,400	28,499,500	50,596,900
+ 100,000 — 561,500	- - -	— 461,500	— 1,161,700	- - -	— 1,161,700
- - -	- - -	49,806,900	- - -	- - -	49,435,200
- - -	- - -	— 80,000	- - -	- - -	+ 146,600
- - -	- - -	49,726,900	- - -	- - -	49,581,800

Stephen Jacob,
Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

APPENDIX II.

(No. 1142.)

Government of India.—Finance and Commerce Department.

ACCOUNTS AND FINANCE.—Provincial Finances.

RESOLUTION.

Calcutta, 17th March 1892.

Read the following Resolutions and letters of the Government of India in the Finance Department:—

No. 1709, dated 22nd March 1877.
„ 1642, „ 19th July 1878.
„ 3520, „ 27th October 1880.
„ 4150, „ 5th October 1882.
„ 1752, „ 11th December 1883.
„ 1274, „ 13th March 1884.
„ 568, „ 5th February 1885.
No. 458, dated 28th January 1887.
„ 1124, „ 4th March 1887.
„ 1596, „ 30th March 1887.
„ 5228, „ 30th September 1887.
„ 5703, „ 25th October 1887.
„ 2848, „ 30th May 1888.
„ 5785, „ 12th December 1890.

Resolution,—In supersession of the orders read in the preamble and all other existing orders on the subject, His Excellency the Governor General in Council is pleased to lay down, with effect from 1st April 1892, the following rules and conditions regulating the administration by Local Governments of Provincial Revenues and Expenditure.

2. The powers vested in Local Governments by this Resolution are subject to the general supervision and control of the Government of India; and His Excellency the Governor General in Council expressly reserves the right of issuing instructions to Local Governments on general or particular matters affecting the transferred revenues and services, when such interference with the discretion ordinarily vested in them seems to him expedient.

3. Subject to the limitations hereinafter stated, Local Governments exercise, in respect of Provincial Revenue and Expenditure, all the powers exercised, before the introduction of the system of Provincial Finance, by the Government of India. In the case of Revenue and Expenditure classified under heads which are divided between Imperial and Provincial in fixed proportions, those powers are exercised by Local Governments in respect of the Imperial portion also. The powers vested in Local Governments as above are necessarily limited to the powers possessed by the Government of India. In all very important matters and in certain minor matters, the orders of the Secretary of State are required; and, although some of the limitations, rendered necessary by this restriction on the powers of the Government of India are included in the subsequent paragraphs of this Resolution, it should be understood that all orders, which are now in force, or which may be hereafter issued, which have the effect of requiring the sanction of the Secretary of State in connection with any matter affecting the Revenue or Expenditure, necessarily prevent the Local Governments from issuing, without a reference to the Government of India, final orders in regard to such matter.

4. Without the previous sanction of the Government of India—

(1) No additional taxation may be imposed, and no change is made in any existing system of revenue management;

(2) No new general service or duty may be undertaken: whenever a Local Government proposes to undertake any such new service or duty it must satisfy the Government of India that it can provide the funds for it, temporarily if the service of duty is temporary, and permanently if it is permanent;

(3) No appointment may be created with a pay of more than Rs. 250 a month; and no addition may be made to the pay and allowances of any officer if they exceed, or would, after the addition, exceed Rs. 250 a month;

(4) No appointment of which the pay and allowances are more than Rs. 250 a month may be abolished; and the pay and allowances of no such appointment may be reduced;

(5) No class or grade of officers may be created or abolished; and the pay of no class or grade of officers may be raised or reduced;

(6) The rates of discount upon the retail of stamps and court-fees labels must not be altered;

(7) The rates of duty on spirits and drugs should not be altered in any case in which the alteration is likely to affect the excise arrangements of neighbouring provinces; and in particular, the sanction of the Governor General in Council must be obtained to any alteration in the rates of duty in any district which borders on another province.

(8) No addition may be made to the pay or allowances of any individual officer, or class of officers, that may lead to increase in the emoluments of any public servants doing duty in the same province, whose pay and allowances are not charged under one of the transferred heads of service. The Government of India reserves the right to forbid alterations in rates of pay or allowances, which, in its opinion, would produce inconvenience in other provinces.

(9.) No money may be removed from the public treasury for investment or deposit elsewhere; the Government of India, which is responsible for the provision of ways and means for the public service in all departments, must always retain as at present in its own hands, absolute and unconditional control over all money in the public treasury; a Local Government may not withdraw such money, except for expenditure upon the public service. This order applies to local fund balances as much as to provincial funds. The principle is that no funds contributed from the public revenues or raised by general taxation, such as the district cess funds, and the like, shall be invested without the consent of the Government of India; these orders do not apply to municipal or port funds nor to trust or endowment funds of any kind.

(10.) No alteration must be made in the form or procedure of the public accounts; in particular Local Governments may not issue orders directing the division of a charge between two or more heads of account; the Comptroller General ordinarily decides the proper classification of an item on the accounts;

(11.) No services previously rendered to other departments at the charge of the departments made over to the control of the Local Governments may be diminished, and no services previously rendered to these departments at the charge of other departments may be increased.

(12.) No line of through communication may be abandoned, or allowed to fall out of repair;

5. The Provincial Revenues and Expenditure consist of the Revenue and Expenditure recorded, under the heads made Provincial, on the books of the Account Officers of the Province. Inter-Provincial adjustments are forbidden.

6. Local Governments are required to maintain balances of the following minimum amounts:—

	Rs.		Rs.
Central Provinces - -	8,00,000	N.W., Provinces and Oudh	20,00,000
Lower Burma - -	6,00,000	Punjab - - - -	10,00,000
Assam - - -	5,00,000	Madras - - - -	20,00,000
Bengal - - -	20,00,000	Bombay - - - -	20,00,000

A Local Government should not, without the previous sanction of the Government of India, propose any estimates or allow any transactions which involve the reduction of the Provincial balance below the prescribed minimum. Accountants General are required to make a report to the Local Government and to the Government of India when it appears to them that there is any likelihood of the balance being reduced below the minimum.

7. Local Governments may sanction loans and advances under the orders contained in Resolutions Nos. 13 and 14, dated 1st January 1889, and Nos. 417 and 419, dated 24th January 1890, but may not, without the special sanction of the Government of India, sanction any other loans of public money.

8. When any Local Government proposes to provide in the estimates for Provincial Expenditure largely in excess of the Provincial Revenue of the year, that is, when it is proposed to incur considerable expenditure out of accumulated balances, the proposals should be forwarded to the Government of India for separate consideration in advance of the estimates.

9. It is a general condition, precedent to the delegation of all authority to disburse public money, that it shall be *bonâ fide* for a public object; nothing must be carried out by means of the public funds for the advantage of any individual or body of private persons, unless in accordance with some declared or established rule or principle recognized by the Government of India. It is the duty of every Audit officer, at all times,

times, to challenge any infringement of this principle; and every Local Government must submit, for the orders of the Government of India, any representation made to it by any audit officer in accordance with this rule which it does not promptly accept.

10. All standing orders and rules of the Supreme Government are to be observed, including, in particular, the rules in the Civil Service Regulations, the Code of the Public Works Department, and the Civil Account Code.

11. Local Governments must exercise the powers vested in them by this Resolution, subject to the ordinary rules of the Budget system. The most important of those rules which affect the exercise of the powers conferred by this Resolution, are,—

(*a*) A Local Government cannot sanction any expenditure during a year which will involve an excess over the Budget grant for the year for any Provincial Major head, without effecting re-appropriation, that is, without reducing by the amount of the excess the sanctioned grant under some other Provincial or Local Major head under its control.

(*b*) A Local Government cannot sanction any expenditure which will involve an excess over the Budget grant for the year under a head which is divided in a fixed proportion between Imperial and Provincial, unless it can effect re-appropriation (for the Imperial and Provincial portions of the excess respectively) from Imperial and Provincial or Local heads under its control.

(*c*) A Local Government is required to keep the total Provincial expenditure under all heads within the total Budget grant of the year for that expenditure, unless—

(1) It effects re-appropriation from the grants for Local expenditure under its control; or

(2) It has obtained the sanction of the Government of India to a supplementary grant.

Ordered, that this Resolution be communicated to the several Local Governments and Administrations; to all Departments of the Government of India; to the Agent to the Governor General, Baluchistan; to the Comptroller and Auditor General; and to the several Accountants General and Comptrollers* for information.

* Except Comptrollers, Hyderabad and Post Office.

Ordered also, that this Resolution be published in the "Gazette of India."

J. F. Finlay,
Secretary to the Government of India.

(No. 1146.)

Government of India.—Finance and Commerce Department.

Accounts and Finance.—Provincial Finances.

RESOLUTION.—Calcutta, 17th March 1892.

Read—

Letter from the the Government of India, to the Government of Bengal, No. 3752, dated 7th September 1891.

Letter from the Government of Bengal, to the Government of India, No. 5526, dated 26th December 1891.

Resolution.—The letters read in the preamble contain the correspondence regarding the revision, with effect from 1st April next, of the Contract relating to the Provincial Revenue and Expenditure of Bengal. The word "Contract," though open to some objection, is used for the sake of convenience, to describe the arrangements made with the Local Governments, under which the Government of India, in order to secure more efficient administration, delegates to Local Governments, for a time and under conditions, some of its powers in respect of certain Revenue and Expenditure.

2. After considering that correspondence in the light of the Revised Estimates of Revenue and Expenditure for the year 1891–92, and of the general financial position, His Excellency the Governor General in Council is pleased to declare that the terms of the Contract relating to the Provincial Revenue and Expenditure of Bengal for the five years commencing 1st April 1892 shall be as follow:—

All revenue which is classified in the accounts under the heads named in Column 2 of the Schedule annexed to this Resolution will be Provincial in the proportion stated in Column 3, and all expenditure which is classified in the accounts under the heads named in Column 5 of the Schedule will be Provincial in the proportion stated in Column 6.

From the Provincial Revenues, as just stated, a deduction of Rs. 14,39,000 will be made through the Land Revenue head.

3. It has been considered convenient to collect and republish the general rules relating to the powers of Local Governments under the scheme of Provincial finance, with modifications up to date; and this has been done in Resolution No. 1142 of this date, applicable to all Provinces.

4. The main terms constituting the Contract are those stated in paragraph 2 and in the Resolution quoted in paragraph 3. The modifications of them, which will apply to Bengal, are the following:—

(1) If any considerable charge of an exceptional nature, which ought ordinarily to be borne by one Province, is paid in another Province, the question of a corresponding adjustment between the two Provinces will be specially dealt with. This provision has been rendered necessary by the decision to stop inter-provincial adjustments as a matter of ordinary course;

(2) The Government of Bengal will not exercise any administrative or financial powers in regard to the railways of which the receipts and expenditure are shared between Imperial and Provincial;

(3) The capital expenditure on the Hidgellee Canal, required to complete the work, will be advanced from Imperial funds, in the manner and on the conditions stated in Letter No. 52 I., dated 7th March 1889, from the Government of India, in the Public Works Department;

(4) If the recoveries on account of the Survey and Settlement Operations in Behar fall short of the expenditure which is recoverable from the zemindars and ryots, the difference will be charged to Provincial Revenues.

5. The Contract is a consolidated one, of which all the conditions are stated in this Resolution and that referred to in paragraph 3; and it is not a collection of separate contracts for each Provincial Head. His Excellency the Governor General in Council has therefore deemed it inexpedient, in declaring the terms of the Contract as finally settled, to state separate amounts for each head of Provincial Revenue and Expenditure. The representations made by the Government of Bengal regarding each separate head have received careful consideration, and the adjusting figure of Rs. 14,39,000 has been fixed so as to place the Revenue and Expenditure in equilibrium on the basis generally of the existing stage of growth; the Local Government will be expected to maintain all the Provincial Services in a state of administrative efficiency, providing any increased expenditure necessary for that purpose either from savings in expenditure, to be secured by economical administration, or from increases in revenue. The Local Government is not entitled to assistance from Imperial Revenues to meet future increases of expenditure or decreases of revenues of whatever nature classified under Provincial Heads.

6. The opportunity of the revision of the Contract has been taken to introduce certain changes affecting the amounts charged to Provincial Heads of Expenditure, chiefly in the direction of correcting errors of classification under the Heads of Account. These will be stated in a letter to be addressed to the Government of Bengal, replying to the letter quoted in the preamble. They have been taken into consideration in settling the adjusting figure fixed in paragraph 2.

Order.—Ordered, that this Resolution be communicated to the Home, Revenue and Agriculture, and Public Works Departments; to the Government of Bengal; to the Comptroller and Auditor General; and to the Accountant General, Bengal.

J. F. Finlay,
Secretary to the Government of India.

BENGAL.

Schedule.

REVENUE.			EXPENDITURE.		
1.	2.	3.	4.	5.	6.
Major Heads.	Minor Heads.	Provincial Share.	Major Heads.	Minor Heads.	Provincial Share.
I.—Land Revenue	12 per cent. on collections from Government estates.	The whole.	1.—Refunds	The heads of which the corresponding receipts are wholly or partially Provincial.	The same share as in the case of the corresponding heads of receipt.
	All other Minor Heads, except "Recoveries from Zemindars and Ryots on account of Survey and Settlement operations in Behar."	One-fourth.	2.—Assignments and Compensations.	"Malikana"	The whole.
			3.—Land Revenue	All except "Survey and Settlement."	The whole.
III.—Salt	"Rents of Warehouses"	The whole.	5.—Salt	All	The whole.
	"Fines and Forfeitures"		6.—Stamps	All	Three-fourths.
	"Miscellaneous"		7.—Excise	All	One-fourth.
IV.—Stamps	All	Three-fourths.	8.—Provincial Rates	All	The whole.
V.—Excise	All	One-fourth.	9.—Customs	All	The whole.
			10.—Assessed Taxes	All	One-half.
VI.—Provincial Rates	All	The whole.	11.—Forest	All	One-half.
			12.—Registration	All	One-half.
VII.—Customs	"Sea Customs—Miscellaneous"	The whole.	13.—Interest	"Interest on Provincial Advance and Loan Accounts."	The whole.
	"Warehouse and Wharf Rent"		18.—General Administration.	"Civil Offices of Account and Audit."	The charges of the Examiner of Local Accounts and his establishment.
	"Miscellaneous"			All other Minor Heads, except "Allowance to Presidency Banks."	The whole.
VIII.—Assessed Taxes	All	One-half.	19 A.—Law and Justice—Courts of Law.	All	The whole.
IX.—Forest	All	One-half.	19 B.—Law and Justice—Jails.	All	The whole.
X.—Registration	All	One-half.	20.—Police	All	The whole.
XII.—Interest	"Interest on loans to municipalities and other public bodies (excluding Presidency Corporations)."	The whole.	21.—Marine	All	The whole.
	"Interest on loans to landholders and other notabilities."		22.—Education	All	The whole.
	"Interest on advances to cultivators."		24.—Medical	All	The whole.
	"Interest on advances under special laws."		25.—Political	All, except—"Refugees and State Prisoners" and "Special Political Expenditure."	The whole.
	"Interest on Government Securities."		26.—Scientific and other Minor Departments.	"Veterinary Charges"	The whole, except the pay and allowances of officers on the cadre of the Civil Veterinary Department.
	"Miscellaneous"	Items classified as Provincial in 1891-92.		All other Minor Heads, except—"Census" and "Preservation and Translation of Ancient Manuscripts."	The whole.
XVI. A.—Law and Justice—Courts of Law.	All	The whole.	29.—Superannuation Allowances and Pensions.	"Superannuation and Retired Allowances."	The whole.
XVI. B.—Law and Justice—Jails.	All	The whole.		"Covenanted Civil Service Pensions."	
XVII.—Police	All	The whole.		"Compassionate Allowances"	
XVIII.—Marine	All	The whole.		"Gratuities"	
XIX.—Education	All	The whole.		"Refunds"	
XX.—Medical	All	The whole.	30.—Stationery and Printing.	"All, except "Stationery purchased for Central Stores."	The whole.
XXI.—Scientific and other Minor Departments.	All	The whole.	32.—Miscellaneous	Extraordinary items	Items not in excess of R 10,000.
XXII.—Receipts in aid of superannuation, retired, and compassionate allowances	"Contributions for pensions and gratuities."	The whole.		All other Minor Heads, except—"Charges for Remittance of Treasure," "Discount on Bills," and "Loss by Exchange."	The whole.
	"Family subscriptions of Native Members of the Covenanted Civil Service."		33.—Famine Relief	"Famine Relief Charges"	The whole.
	"Miscellaneous"		38.—State Railways	Working Expenses, Eastern Bengal Railway system.	One-half.
XXIII.—Stationery and Printing.	All	The whole, except receipts for the value of supplies from Central Stores to railways, and to Local Funds, Municipalities, and other independent bodies.	37.—Construction of Railways.	All	The whole, except in cases in which the outlay is specially incurred from Imperial Funds. But Provincial expenditure under these heads is permitted only under the special orders of the Government of India in regard to each Railway.
XXV.—Miscellaneous	"Extraordinary items"	Items not in excess of Rs. 10,000.	40.—Subsidised Companies.		
	All other Minor Heads, except—"Gain by Exchange," "Premia on Bills," "Unclaimed Bills of Exchange," and "Recovery of Insurance and other charges on English Stores."	The whole.	41.—Miscellaneous Railway Expenditure.	"Surveys"	
			42.—Irrigation—Major Works.	"Working Expenses"	The whole.
				"Interest"	
XXVI.—State Railways	Traffic earnings, Eastern Bengal Railway system.	One-half.	43.—Minor Works and Navigation.	All	The whole.
XXIX.—Irrigation—Major Works.	"Direct Receipts"	The whole.	45.—Civil Works	All, except the following buildings, namely, Opium, Salt, Mint and Currency, Post Office, Telegraph, Government of India Offices, Central Press, Viceregal residences, Stamp and Stationery Office, Surveyor General's Office, and the Bishop's Palace.	The whole.
XXX.—Minor Works and Navigation.	All	The whole.			
XXXII.—Civil Works	All	The whole.			
Contributions	Contributions from Local	The whole.	Contributions	Contributions to Local	The whole.

Note.—In this Schedule the only heads considered are Imperial and Provincial heads; the Local Revenue and Expenditure are not affected by the orders in this Resolution.

APPENDIX III.

CONTENTS.

		PAGES
TABLE I.	Miscellaneous	70
„ II.	Sea-borne Trade for the Year	72
„ III.	Sea-borne Trade for the first Eleven Months of the Year	73
„ IV.	Wholesale Prices of Typical Commodities in Gold and Silver in London and Calcutta in December in each Year	76
„ V.	Statement showing the true Financial Results to the Revenues of India of the Guarantee of Interest upon the Capital of Guaranteed Railway Companies	77
„ VI.	Actual Capital Expenditure on State Railways in 1890–91, and Estimated Expenditure on such Works in 1891–92 and 1892–93, and to end of 1892–93	78
„ VII.	Capital Expenditure on Irrigation—Major Works, in 1890–91, and Estimated Expenditure on such Works in 1891–92, 1892–93, and to the end of 1892–93	80
„ VIII.	Gross Receipts, Working Expenses, and Net Traffic Receipts, of Guaranteed and State Railways, for Five Years ending 1890–91, with Revised Estimates for 1891–92, and Budget Estimates for 1892–93	82
„ IX.	Gross Receipts, Working Expenses, and Net Earnings, of Irrigation—Major Works, for Five Years ending 1890–91, with Revised Estimate for 1891–92, and Budget Estimate for 1892–93	84
„ X.	Abstract of Budget Estimates of Capital Transactions of Guaranteed and Subsidised Railways, 1891–92 and 1892–93	86

APPENDIX III.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1883-84.	1884-85.	1885-86.	
Recorded Revenue compared with the recorded Expenditure, excluding Capital Expenditure on Public Works not charged against Revenue:				
Surplus	*Rx.* 1,879,707			1
Deficit		386,446	2,801,726	2
Capital Expenditure on Public Works not charged against Revenue.*	*Rx.* 3,574,105	4,226,613	5,275,364	3
Capital Charge involved in Redemption of Liabilities	£. 566,261	1,314,746	1,086,045	4
Net Public Debt incurred	3,062,953	1,193,924	3,584,979	5
Net Public Debt incurred, including capital transactions with Guaranteed Railway and other Companies.	2,219,364	801,966	7,735,903	6
Value of commodities exported, excluding Gold and Silver	*Rx.* 88,176,000	83,255,000	83,881,000	7
Value of commodities imported, excluding Gold and Silver	„ 55,279,000	55,703,000	55,656,000	8
Excess of Exports over Imports, excluding Gold and Silver	„ 32,897,000	27,552,000	28,225,000	9
Net Imports of Gold	„ 5,463,000	4,672,000	2,763,000	10
Net Imports of Silver	„ 6,405,000	7,246,000	11,607,000	11
TOTAL Net Imports of Gold and Silver	„ 11,868,000	11,918,000	14,370,000	12
Excess of Exports over Imports, including Gold and Silver	„ 21,029,000	15,634,000	13,855,000	13
Grand Total Value of Imports and Exports of all kinds	„ 157,344,000	154,817,000	156,123,000	14
Secretary of State's Bills sold	*Rs.* 21,62,15,462	17,10,22,119	13,53,25,369	15
Sterling equivalent received	£. 17,599,805	13,758,909	10,292,692	16
Silver coined at the Indian Mints	*Rx.* 3,663,400	5,794,232	10,285,567	17
Maximum price of an oz. Troy standard silver in London	*d.* 51 1/16 (Feb.)	51 (April)	50 5/16 (May)	18
Minimum - - ditto - - ditto	„ 50 5/16 (May and June)	48 7/8 (Feb.)	46 7/16 (Jan.)	19
Average exchange upon Secretary of State's Bills sold per rupee.	1 *s.* 7·536 *d.*	1 *s.* 7·308 *d.*	1 *s.* 6·254 *d.*	20
Fixed rate of exchange for the adjustment of transactions between the Indian and Imperial Treasuries.	1 *s.* 7 3/4 *d.*	1 *s.* 7 1/2 *d.*	1 *s.* 7 1/4 *d.*	21
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta.	9 (Mar.)	11 (April and May)	9 (May)	22
Minimum - - ditto - - ditto	5	3 (Nov. and Dec.)	4 (From July to Jan.)	23
Maximum rate of discount at the Bank of England	4	5 (Nov., Dec. & Jan.)	4 (Dec.)	24
Minimum - - ditto - - ditto	3	2 (June to Sept.)	2 (May to Nov.)	25
Maximum Government Balances at the three Presidency Banks.	*Rx.* 5,556,700 (Aug.)	5,731,200 (Nov.)	6,486,800 (Dec.)	26
Minimum - - ditto - - ditto	„ 3,167,100 (Jan.)	2,991,900 (May)	3,638,800 (May)	27
Maximum price in Calcutta of Government 4 per cent. Rupee Securities.	101-1 (April)	101-12 (June)	99-14 (July)	28
Minimum - - ditto - - ditto	94-8 (Feb.)	94-12 (March)	91-12 (May)	29
Maximum amount outstanding on London Register of Rupee Securities enfaced for interest drafts.	*Rx.* 21,405,500 (May)	21,008,000 (May)	20,562,400 (April)	30
Minimum - - ditto - - ditto	„ 20,626,200 (Aug.)	20,594,300 (Feb.)	19,179,300 (Jan.)	31
Maximum price in London of 4 per cent. (Rupee) Securities, in gold.	81 1/8 (April)	82 1/2 (May)	78 1/2 (July)	32
Minimum - - ditto - - ditto	77 1/4 (Jan.)	74 (March)	71 3/4 (Jan.)	33
Maximum price in London of India 3 1/2 per cent. stock	103 1/4 (Nov.)	107 3/8 (Sept.)	102 1/4 (Aug.)	34
Minimum - - ditto - - ditto	101 1/2 (June)	97 1/4 (Mar.)	97 (April)	35
Maximum price in London of India 3 per cent. Stock		96 1/4 (Sept.)	91 1/4 (Feb.)	36
Minimum - - ditto - - ditto		88 1/2 (Mar.)	85 (July)	37
Maximum Government Paper Currency outstanding	*Rx.* 14,485,700 (Oct.)	15,762,700 (Nov.)	15,713,500 (Oct.)	38
Minimum - - ditto - - ditto	„ 12,109,100 (Jan.)	12,342,500 (April)	13,017,900 (April)	39
Number of Savings Banks	5,553	5,860	6,198	40
Number of Depositors in Savings Banks	203,901	243,268	263,196	41
Amount deposited in Savings Banks	*Rx.* 4,005,930	4,687,082	5,081,183	42
Average of each deposit	„ 20	19	19	43
Net addition to deposits	„ 389,525	681,152	394,101	44

* Excludes Capital charge involved in redemption of Liabilities.

APPENDIX III.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.	Revised Estimate, 1891-92.	Budget, 1892-93.
1	178,427	- - -	37,018	2,612,033	3,688,171	- - -	146,000
2	- - -	2,028,832	- - -	- - -	- - -	80,000	—
3	5,670,484	2,784,524	1,638,001	3,173,390	3,365,632	3,500,000	4,035,000
4	4,914,546	- - -	10,336,049	- - -	4,692,557	—	—
5	9,727,538	5,435,799	13,487,881	5,129,018	6,293,714	3,043,900	127,700
6	9,043,165	4,861,672	9,456,342	3,913,426	3,639,498	1,119,400	77,100
7	88,470,000	90,544,000	97,049,000	103,460,000	100,227,000	—	—
8	61,777,000	65,005,000	69,440,000	69,197,000	71,975,000	—	—
9	26,693,000	25,539,000	27,609,000	34,263,000	28,252,000	—	—
10	2,177,000	2,992,000	2,814,000	4,615,000	5,636,000	—	—
11	7,156,000	9,229,000	9,247,000	10,938,000	14,175,000	—	—
12	9,333,000	12,221,000	12,061,000	15,553,000	19,811,000	—	—
13	17,360,000	13,318,000	15,548,000	18,710,000	8,441,000	—	—
14	163,021,000	170,979,000	182,119,000	192,024,000	196,260,000	—	—
15	16,70,03,150	21,81,23,993	20,89,91,221	22,41,86,638	21,18,69,300	*23,26,32,000	25,50.00,000
16	12,136,279	15,358,577	14,262,859	15,474,496	15,969,034	16,200,000	17,000,000
17	4,616,537	10,788,425	7,282,255	8,541,158	13,193,473	—	—
18	47⅛ (Jan.)	45½ (Dec.)	44$\frac{3}{16}$ (Sept.)	44⅞ (Jan.)	54⅝ (Sept.)	46⅜ (July)	—
19	42 (Aug.)	43 (Mar.)	41¾ (May)	41$\frac{15}{16}$ (May)	43¾ (April)	(40⅝ (Feb.)	—
20	1*s.* 5·441*d.*	1*s.* 4·899*d.*	1*s.* 4·379*d.*	1*s.* 4·566*d.*	1*s.* 6·089*d.*	1*s.* 4·713*d.*	1*s.* 4*d.*
21	1*s.* 6¼*d.*	1*s.* 6*d.*	1*s.* 5*d.*	1*s.* 4½*d.*	1*s.* 5*d.*	1*s.* 6½*d.*	1*s.* 4¾*d.*
22	8 (June, July, Feb. and March)	9 (April and May)	12 (Feb. & Mar.)	11 (Feb. and Mar.)	12 (April)	5 (Jan., Feb. and Mar.)	—
23	5 (Nov., Dec ,& Jan.)	3 (Oct. to Dec.)	4 (May to Sept.)	4 (June, July & Oct.)	3 (Aug. to Feb.)	2 (Aug. and Sept.)	—
24	5 (Dec. and Jan.)	4 (Sept. to Jan.)	5 (Oct. to Jan.)	6 (Jan. and Feb.)	6 (Nov.)	5 (May)	—
25	2 (April & May)	2 (April to Aug.)	2 (April & May)	2½ (April & July)	3 (April, May, June, Feb. and March).	2½ (July, Aug. and Sept.)	—
26	4,594,600 (June)	3,595,900 (Feb.)	4,385,500 (June)	4,446,400 (March)	4,083,800 (June)	4,743,700 (June)	—
27	3,296,500 (Sept.)	2,861,500 (Dec.)	2,791,900 (Nov.)	2,856,900 (Nov.)	2,937,300 (Oct.)	2,871,600 (Oct.)	—
28	98-2 (Sept.)	100 (Oct.)	101-1 (Sept.)	100-10 (July)	106-6 (Jan.)	108-4 (June)	—
29	95 (Feb.)	95-4 (April)	96-6 (Jan.)	96-3 (Jan.)	99-7 (April)	104-10 (Feb.)	—
30	19,710,300 (Oct.	20,816,700 (March)	21,875,200 (Oct.)	21,962,100 (Nov.)	26,724,100 (Mar.)	27,921,500 (Feb.)	—
31	19,(56,200 (Mar.)	18,986,100 (Oct.)	20,972,200 (April)	21,586,800 (March)	21,498,800 (April)	26,531,800 (Aug.)	—
32	73½ (Nov.)	70⅞ (Sept.)	69¼ (Sept.)	70⅛ (Jan.)	90¼ (Aug.)	78⅞ (July)	—
33	65⅛ (Aug.)	67 (April)	65⅛ (May)	66⅛ (Sept.)	70¼ (April)	68$\frac{11}{16}$ (Feb.)	—
34	102 (May)	108 (Mar.)	108¾ (Mar.)	109¼ (May)	110 (Feb.)	108⅝ (April)	—
35	100¼ (Sept.)	100½ (Sept.)	104 (Oct.)	106⅜ (Dec.)	104¾ (Nov.)	103⅛ (June)	—
36	90 (April)	99⅜ (Mar.)	100⅜ (Feb.)	102 (Aug.)	100⅜ (April)	97¾ (April)	—
37	85 (Feb.)	87¾ (April)	96 (May)	99 (April)	94¾ (Nov.)	93 (June)	—
38	14,678,200 (Nov.)	18,610,300 (Nov.)	18,055,300 (July)	16,667,800 (Nov.)	27,660,300 (Jan.)	27,040,700 (July)	—
39	13,779,400 (April)	13,903,200 (May)	14,829,800 (Feb.)	15,466,500 (Dec.)	17,419,600 (April)	22,624,200 (Jan.)	—
40	6,230	6,152	6,237	6,546	6,642	—	—
41	289,277	332,176	383,471	431,840	475,329	—	—
42	5,795,249	6,675,571	7,622,544	7,531,868	8,062,242	—	—
43	20	20	20	18	17	—	—
44	714,066	880,322	946,973	—90,676	530,375	—	—

APPENDIX III.—*continued.*

TABLE II.—SEA-BORNE TRADE for the YEAR. (Principal ARTICLES arranged in Order of their DECLARED VALUE.)

No.	EXPORTS.		1886-87.	1887-88.	1888-89.	1889-90.	1890-91.
1	Cotton—						
	Raw:						
	Quantity	*Cwt.*	5,432,648	5,374,542	5,331,536	6,320,342	5,913,923
	Value	*Rx.*	13,468,429	14,412,842	15,045,648	18,668,404	16,502,775
	Average declared value per lb. — *Annas*	-	*As.* 3 6	*As.* 3 10	*As.* 4 –	*As.* 4 3	*As.* 4 0
	Average declared value per lb. — *Pence, at average exchange*	-	3·81	4·05	4·09	4·4	4·52
	Twist and Yarn:						
	Quantity	*Lbs.*	91,804,244	113,451,375	128,906,764	141,949,951	169,275,304
	Value	*Rx.*	3,336,861	4,077,386	5,207,100	5,748,732	6,543,364
	Average declared value per lb.	*Annas*	*As.* 5 10	*As.* 5 9	*As.* 6 6	*As.* 6 6	*As.* 6 2
	Other Manufactures:						
	Value	*Rx.*	945,644	1,150,542	1,167,464	1,005,011	1,159,275
	Average declared value per yard — Grey or unbleached	*Annas*	*As.* 1 10	*As.* 1 10	*As.* 1 11	*As.* 1 9	*As.* 1 10
	Average declared value per yard — Coloured, printed, or dyed	„	*As.* 4 7	*As.* 4 5	*As.* 4 7	*As.* 4 6	*As.* 4 8
	Percentage of manufactures on whole value exported	-	24·13	26·62	29·76	26·57	31·82
2	Rice and Paddy:						
	Quantity	*Cwt.*	26,879,272	28,534,057	23,144,641	27,098,906	34,963,341
	Value	*Rx.*	8,836,827	9,291,686	7,915,409	10,110,482	12,877,740
	Average declared value of husked rice, per cwt. — *Rupees*	-	3 5 –	3 4 5	3 7 2	3 12 1	3 11 3
	Average declared value of husked rice, per cwt. — *Shillings, at average exchange*	-	4·81	4·61	4·71	5·18	5·58
3	Jute:						
	Raw and manufactured—Value	*Rx.*	6,021,672	7,786,739	10,468,631	11,431,103	10,683,972
	Average declared value of raw jute per cwt. — *Rupees*	-	5 13 10	6 4 3	7 7 9	8 6 9	6 5 6
	Average declared value of raw jute per cwt. — *Shillings, at average exchange*	-	8·52	8·82	10·21	11·63	9·56
	Percentage of manufactures on whole value exported	-	19·13	22·43	24·56	24·42	24·61
4	Seeds:						
	Quantity	*Cwt.*	15,866,604	16,060,400	15,569,978	15,794,742	14,798,999
	Value	*Rx.*	9,198,560	9,385,024	9,561,756	10,627,553	9,343,252
	Average declared value of linseed, per cwt. — *Rupees*	-	5 15 9	5 13 8	5 15 8	6 10 –	6 2 9
	Average declared value of linseed, per cwt. — *Shillings, at average exchange*	-	8·70	8·24	8·16	9·15	9·3
5	Opium:						
	Quantity	*Chests*	95,839	90,096	87,789	85,166	85,753
	Value	*Rx.*	11,077,669	10,067,764	10,508,081	10,115,936	9,261,815
	Average declared value per chest	*Rupees*	1,156	1,117	1,197	1,188	1,080
6	Wheat:						
	Quantity	*Cwt.*	22,263,320	13,538,169	17,610,081	13,799,224	14,320,496
	Value	*Rx.*	8,625,864	5,562,373	7,522,676	5,791,377	6,042,426
	Average declared value per cwt. — *Rupees*	-	3 14 –	4 1 9	4 4 4	4 3 2	4 3 6
	Average declared value per cwt. — *Shillings, at average exchange*	-	5·63	5·79	5·83	5·8	6·36
7	Tea:						
	Quantity	*Lbs.*	78,702,857	87,514,505	97,011,112	103,760,104	107,014,993
	Value	*Rx.*	4,727,992	5,174,440	5,267,345	5,277,650	5,219,233
	Average declared value per lb. — *Annas*	-	*As.* 9 7	*As.* 9 6	*As.* 8 8	*As.* 8 2	*As.* 7 10
	Average declared value per lb. — *Shillings, at average exchange*	-	·87	·84	·74	·7	·74
8	Hides and Skins:						
	Quantity	*No.*	31,860,787	30,914,151	32,357,166	30,955,168	32,733,651
	Value	*Rx.*	5,149,218	4,852,382	4,743,546	4,524,261	4,695,919
	Percentage of dressed or manufactured on whole value exported	-	45·4	52·07	55·11	55·79	53·99
9	Indigo:						
	Quantity	*Cwt.*	138,396	139,644	142,447	157,116	118,425
	Value	*Rx.*	3,691,677	3,890,649	3,948,594	3,863,084	3,073,125
	Average declared value per cwt. — *Rupees*	-	266 11 11	278 9 9	277 3 1	245 14 –	259 8 –
	Average declared value per cwt. — *Sterling, at average exchange*	£.	19·38	19·62	18·92	16·97	19·56
10	Coffee:						
	Quantity	*Cwt.*	370,458	273,775	305,299	239,795	233,451
	Value	*Rx.*	1,502,251	1,529,680	1,884,243	1,489,872	1,454,985
	Average declared value per cwt. — *Rupees*	-	40 8 10	55 14 –	61 9 4	62 2 1	62 5 2
	Average declared value per cwt. — *Shillings, at average exchange*	-	58·94	78·68	70·41	85·77	93·95
11	Wool:						
	Raw and manufactured—Value	*Rx.*	985,484	1,086,404	1,090,858	1,211,438	1,072,489
	Average declared value of raw wool per lb. — *Annas*	-	*As.* 6 2	*As.* 6 6	*As.* 7 1	*As.* 7 3	*As.* 7 3
	Average declared value of raw wool per lb. — *Pence, at average exchange*	-	6·72	6·86	7·25	7·51	8·2
12	Lac:						
	Value	*Rx.*	520,169	501,888	401,078	489,380	781,945
13	Silk:						
	Raw and manufactured—Value	*Rx.*	802,443	860,107	807,238	900,539	724,249
	Average declared value of raw silk per lb. — *Rupees*	-	3 – 11	2 15 4	2 7 1	3 1 –	2 15 4
	Average declared value of raw silk per lb. — *Shillings, at average exchange*	-	4·44	4·17	3·33	4·23	4·46
14	Oils:						
	Value	*Rx.*	458,812	471,055	430,306	543,945	551,902
15	Teak Wood:						
	Quantity	*Cubic Tons*	23,946	40,446	52,609	71,342	42,803
	Value	*Rx.*	223,154	367,274	575,263	762,998	425,303
	Average declared value per cubic ton — *Rupees*	-	93 3 1	90 12 11	109 5 7	106 15 2	99 5 10
	Average declared value per cubic ton — *Sterling, at average exchange*	£.	6·77	6·39	7·46	7·38	7·49
16	Sugar:						
	Value	*Rx.*	504,803	465,829	550,339	917,179	417,562
17	Saltpetre:						
	Quantity	*Cwt.*	397,572	386,396	420,503	422,229	399,690
	Value	*Rx.*	376,091	364,016	401,801	411,276	380,059
	Average declared value per cwt. — *Rupees*	-	9 7 4	9 6 9	9 8 11	9 11 10	9 8 2
	Average declared value per cwt. — *Shillings, at average exchange*	-	13·75	13·27	13·04	13·45	14·34

APPENDIX III.—*continued.*

TABLE II.—Sea-borne Trade for the Year, &c.—*continued.*

No.	IMPORTS.	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.
1	Cotton—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	49,014,194	51,543,277	52,587,342	46,383,843	50,973,105
	Value - - - - - - - - - *Rx.*	3,318,404	3,582,033	3,746,983	3,482,747	3,768,505
	Average declared value per lb. { *Annas* - - - - - - -	10·83	11·12	11·4	12·01	11·83
	{ *Pence, at average exchange* - -	11·8	11·74	11·67	12·43	13·37
	Other Manufactures:					
	Value - - - - - - - - - *Rx.*	25,853,827	23,930,241	27,773,247	26,398,597	27,248,395
	TOTAL COTTON GOODS—Gross Imports - *Rx.*	29,172,231	27,512,274	31,520,230	29,881,344	31,016,900
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	*1,319,248*	*1,058,963*	*1,601,596*	*1,270,444*	*1,243,380*
	Value - - - - - - - - - *Rx.*	*81,146*	*69,345*	*111,514*	*91,382*	*83,801*
	Other Manufactures:					
	Value - - - - - - - - - *Rx.*	*1,490,700*	*1,648,312*	*1,705,167*	*1,728,358*	*1,710,493*
	Total Re-exports - *Rx.*	*1,571,846*	*1,717,657*	*1,816,681*	*1,819,740*	*1,794,294*
	TOTAL COTTON GOODS—Net Imports - *Rx.*	27,600,385	25,794,617	29,703,549	28,061,604	29,222,606
2	Metals - - - - - - - - - *Value Rx.*	4,845,736	5,575,392	4,406,283	5,983,709	6,024,466
3	Sugar - - - - - - - - - „	2,080,540	2,113,617	1,790,939	2,200,049	3,399,886
4	Railway plant and rolling stock - - - „	3,327,832	3,826,264	3,693,939	2,907,086	3,236,786
5	Oils - - - - - - - - - - „	1,408,430	1,486,791	2,072,825	2,645,213	2,634,187
6	Silk (Raw and Manufactured) - - - - „	2,177,111	2,918,139	2,588,105	2,845,159	2,501,430
7	Machinery and mill-work - - - - - „	1,429,764	1,860,583	2,409,737	2,491,428	2,160,483
8	Woollen Manufactures - - - - - „	1,660,905	1,823,358	1,712,548	1,597,549	1,952,600
9	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - - - - - - *Tons*	740,155	821,626	843,743	609,218	799,149
	Value - - - - - - - - - - *Rx.*	1,258,793	1,599,593	1,921,831	1,304,591	1,551,667
	Average declared value per ton { *Rupees* - - - - - -	17·01	19·47	22·76	21·41	19·42
	{ *Shillings, at average exchange* - -	24·72	27·42	31·09	29·56	29·27
10	Provisions - - - - - - - - - *Value Rx.*	1,179,474	1,504,436	1,588,103	1,596,565	1,476,070
11	Liquors - - - - - - - - - - „	1,474,643	1,506,667	1,508,962	1,489,121	1,438,081
12	Apparel - - - - - - - - - - „	1,001,848	1,156,182	1,156,469	1,200,020	1,235,804
13	Spices - - - - - - - - - - „	663,845	931,518	855,228	852,350	813,115
14	Salt:					
	Quantity - - - - - - - - - *Tons*	416,592	423,897	398,810	410,808	395,243
	Value - - - - - - - - - - *Rx.*	768,987	795,521	882,130	894,532	779,034
	Average declared value per ton - { *Rupees* - - - - - - -	18·46	18·77	22·12	21·77	19·71
	{ *Shillings, at average exchange* - -	26·83	26·43	30·19	30·05	29·71

TABLE III.—SEA-BORNE TRADE for the first ELEVEN MONTHS of the Year. (Principal ARTICLES arranged in Order of their DECLARED VALUE.)

	1887-88.	1888-89.	1889-90.	1890-91.	1891-92.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Value of commodities Exported, excluding gold and silver	81,366,106	86,405,227	92,285,086	89,726,199	97,136,818
Value of commodities Imported, excluding gold and silver	58,544,193	63,363,187	62,700,493	65,893 996	63,224,324
EXCESS EXPORTS - - - *Rx.*	22,821,913	23,042,040	29,584,593	23,832,203	33,912,494
Net Imports of silver - - - - - - - -	8,061,245	7,049,564	9,056,774	13,256,180	6,757,518
Net Imports of gold - - - - - - - -	2,951,713	2,300,924	4,431,684	5,289,211	2,761,385
TOTAL NET IMPORTS of Gold and Silver - - *Rx.*	11,012,958	9,350,488	13,488,458	18,545,391	9,518,903
GRAND TOTAL IMPORTS AND EXPORTS OF ALL KINDS - - - - - *Rx.*	153,822,459	162,375 711	171,994,205	178,052,317	175,191,854

APPENDIX III.—*continued.*

TABLE III.—Sea-borne Trade for the first Eleven Months of the Year, &c.—*continued.*

No.	EXPORTS.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1887–88.	1888–89.	1889–90.	1890–91.	1891–92.
1	Cotton, Raw:					
	Quantity - - - - - *Cwt.*	4,057,287	4,343,723	5,064,849	5,014,020	3,736,932
	Value - - - - - *Rx.*	12,392,010	12,209,711	14,730,222	14,104,585	9,170,458
	Average value per lb. - - - R.	- 3 9	- 4 -	- 4 2	- 4 -	- 3 6
	Cotton Manufactures—					
	Twist and Yarn:					
	Quantity - - - - *Lbs.*	103,729,341	115,742,920	129,785,427	155,991,420	148,138,696
	Value - - - - - *Rx.*	3,717,994	4,670,186	5,270,598	6,065,325	5,342,563
	Average value per lb. - - R.	- 5 9	- 6 5	- 6 6	- 6 3	- 5 9
	Other Manufactures—Value - *Rx.*	1,043,887	1,089,368	932,973	1,057,389	1,121,840
	TOTAL COTTON (Raw and Manufactured) - - *Value Rx.*	17,093,891	17,969,265	20,933,793	21,227,299	15,634,861
2	Wheat:					
	Quantity - - - - - *Cwt.*	13,031,489	16,826,208	13,389,833	13,505,683	28,601,150
	Value - - - - - *Rx.*	5,348,318	7,165,307	5,609,245	5,691,051	13,513,548
	Average value per cwt. - - R.	4 1 9	4 4 2	4 3 -	4 3 5	4 11 7
3	Seeds:					
	Quantity - - - - - *Cwt.*	15,077,692	14,602,851	14,556,904	13,340,316	17,337,793
	Value - - - - - *Rx.*	8,789,736	8,956,138	9,825,845	8,410,665	10,969,411
	Average value per cwt. - - R.	5 13 3	6 2 2	6 12 -	6 4 11	6 5 3
4	Rice and Paddy:					
	Quantity - - - - - *Cwt.*	22,411,006	17,551,552	21,784,829	28,562,506	27,020,628
	Value - - - - - *Rx.*	7,409,021	6,101,814	8,325,070	10,679,965	10,967,914
	Average value per cwt. - - R.	3 4 11	3 7 7	3 13 2	3 11 10	4 - 11
5	Jute (Raw and Manufactured) *Value Rx.*	7,259,139	9,722,431	10,693,299	9,272,242	8,843,941
6	Opium:					
	Quantity - - - - *Chests*	82,613	79,069	79,391	79,747	80,926
	Value - - - - - *Rx.*	9,232,336	9,460,586	9,483,368	8,632,376	8,783,419
	Average value per chest - - R.	1,117 8 8	1,196 8 -	1,194 8 3	1,082 7 6	1,085 5 10
7	Tea:					
	Quantity - - - - - *Lbs.*	86,831,319	95,823,643	100,815,502	104,560,038	117,579,127
	Value - - - - - *Rx.*	5,137,612	5,209,695	5,150,253	5,103,727	5,862,344
	Average value per lb. - - - R.	- 9 6	- 8 8	- 8 2	- 7 10	- 8 -
8	Hides and Skins:					
	Quantity - - - - - *Cwt.*	770,128	757,970	712,413	732,613	773,482
	Value - - - - - *Rx.*	4,291,598	4,273,509	4,104,603	4,186,839	4,676,056
	Average value per cwt. - - R.	55 11 7	56 6 1	57 9 10	57 2 5	60 7 3
9	Indigo:					
	Quantity - - - - - *Cwt.*	129,018	133,055	147,377	111,715	121,208
	Value - - - - - *Rx.*	3,638,526	3,740,382	3,665,579	2,930,655	3,126,894
	Average value per cwt. - - R.	282 - 3	281 1 10	248 11 6	262 5 2	257 7 8
10	Coffee:					
	Quantity - - - - - *Cwt.*	210,142	285,559	170,096	195,785	211,172
	Value - - - - - *Rx.*	1,183,220	1,426,314	1,050,866	1,217,545	1,336,843
	Average value per cwt. - - R.	56 4 11	49 15 2	61 12 6	62 3 -	63 4 11
11	Wool (Raw and Manufactured) *Value Rx.*	992,513	1,005,633	1,124,592	932,654	1,017,419
12	Silk (Raw and Manufactured) „ *Rx.*	763,774	713,041	814,605	651,491	640,023
13	Lac - - - - - - „ *Rx.*	458,524	353,398	410,716	693,894	624,278
14	Oils - - - - - - „ *Rx.*	417,470	381,316	509,015	493,646	537,775
15	Sugar - - - - - - „ *Rx.*	424,369	473,890	905,818	335,677	455,364
16	Teak Wood:					
	Quantity - - - *Cubic Tons*	36,409	48,476	65,668	38,867	42,119
	Value - - - - - *Rx.*	323,902	531,616	704,932	386,835	422,752
	Average value per cubic ton - R.	88 15 5	109 10 8	107 5 7	99 8 5	100 5 11
17	Saltpetre:					
	Quantity - - - - - *Cwt.*	349,351	387,800	367,316	351,749	337,358
	Value - - - - - *Rx.*	329,515	369,517	357,650	336,137	316,687
	Average value per cwt. - - R.	9 6 11	9 8 5	9 11 9	9 8 11	9 6 2

APPENDIX III.—*continued.*

TABLE III.—Sea-borne Trade for the first Eleven Months of the Year, &c.—*continued.*

No.	IMPORTS.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1887–88.	1888–89.	1889–90.	1890–91.	1891–92.
1	COTTON—					
	Twist and Yarn:					
	Quantity - - - - *Lbs.*	46,098,900	48,244,135	41,803,228	46,539,279	46,671,894
	Value - - - - - *Rx.*	3,189,532	3,446,025	3,152,351	3,446,744	3,255,318
	Average value per lb. - - R.	- 11 1	- 11 5	- 12 1	- 11 10	- 11 2
	Ditto - in sterling, at average exchange.	11¾ *d.*	11¾ *d.*	1 *s.* -½ *d.*	1 *s.* 1½ *d.*	11¾ *d.*
	Other Manufactures - *Value Rx.*	21,593,462	25,234,768	23,682,712	24,853,696	22,787,030
	TOTAL COTTON GOODS—Gross Imports - - *Rx.*	24,782,994	28,680,793	26,835,063	28,300,440	26,042,348
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - *Lbs.*	*910,704*	*1,525,894*	*1,132,224*	*1,096,760*	*1,511,233*
	Value - - - - - *Rx.*	*58,858*	*105,981*	*81,045*	*74,171*	*104,752*
	Average Value per lb. - - R.	*- 10 4*	*- 11 1*	*- 11 5*	*- 10 10*	*- 11 1*
	Other Manufactures - Value Rx.	*1,481,772*	*1,537,878*	*1,615,772*	*1,566,313*	*1,646,303*
	Total Re-exports - - - Rx.	*1,540,630*	*1,643,859*	*1,696,817*	*1,640,484*	*1,751,055*
	TOTAL COTTON GOODS—Net Imports - - *Rx.*	23,242,364	27,036,934	25,138,246	26,659,956	24,291,293
2	Metals - - - - *Value Rx.*	4,952,260	3,946,321	5,439,002	5,455,500	5,415,283
3	Silk (Raw and Manufactured) - „	2,688,346	2,399,490	2,645,667	2,325,637	2,781,797
4	Oils - - - - - - „	1,337,586	1,880,829	2,374,897	2,333,735	2,379,584
5	Sugar - - - - - - „	1,848,829	1,581,145	1,933,813	3,151,785	2,343,206
6	Railway Plant and Rolling Stock. „	3,322,923	3,504,251	2,623,818	3,007,161	2,316,907
7	Machinery and Millwork - „	1,649,858	2,184,992	2,289,336	1,990,591	2,001,364
8	Woollen Manufactures - - „	1,719,112	1,619,654	1,508,594	1,826,269	1,776,798
9	Provisions - - - - - „	1,389,890	1,472,321	1,491,481	1,371,276	1,635,814
10	Liquors - - - - - - „	1,349,099	1,371,460	1,337,947	1,305,065	1,307,737
11	Apparel - - - - - - „	1,055,797	1,053,751	1,109,106	1,144,296	1,177,132
12	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - *Tons*	708,599	756,732	567,108	721,367	656,629
	Value - - - - - *Rx.*	1,367,428	1,726,981	1,214,980	1,409,911	1,100,057
	Average Value per Ton - R.	19 4 9	22 13 2	21 6 9	19 8 9	16 12 1
13	Spices - - - - - *Value Rx.*	845,118	755,248	799,190	738,982	722,843
14	Salt:					
	Quantity - - - - *Tons*	411,158	364,424	347,545	366,090	341,369
	Value - - - - - - *Rx.*	760,708	805,274	754,461	717,839	575,180
	Average Value per Ton - R.	18 8 -	22 1 7	21 11 4	19 9 9	16 13 7

APPENDIX III.—*continued.*

TABLE IV.—WHOLESALE PRICES of TYPICAL COMMODITIES in GOLD and SILVER in *London* and *Calcutta* in December in each Year.

(Prices of March 1873 = 100.)

	Measured in Gold.								Measured in Silver.*							
In LONDON— (Prices quoted from the London "Economist"):	1884.	1885.	1886.	1887.	1888.	1889.	1890.	1891.	1884.	1885.	1886.	1887.	1888.	1889.	1890.	1891.
Scotch pig-iron (warrants)	36	35	37	37	35	50	40	40	43	45	48	49	50	68	50	54
Coals, Hetton, Wallsend (London).	52	51	51	49	51	63	55	52	62	66	67	66	71	86	69	71
Copper, Chili bars	54	45	43	95	87	55	62	52	64	58	56	127	121	75	79	70
Straits tin	52	64	69	115	68	67	64	63	62	81	89	153	95	92	80	85
Wheat	57	55	61	56	55	55	59	71	68	69	80	74	78	75	74	96
Flour, town-made	54	53	56	54	61	57	65	66	65	68	71	73	85	78	82	89
Beef, inferior	98	75	75	75	67	87	70	80	117	95	97	100	95	119	88	108
Cotton, No. 40, mule twist	70	64	60	62	65	64	68	57	83	82	77	84	91	88	85	77
Wool, Southdown hogs	52	51	59	55	54	59	59	59	63	65	76	73	75	80	74	79
Sugar, foreign Muscovado	44	60	42	53	53	45	55	58	52	77	55	75	75	61	69	78
Coffee	66	65	86	102	101	112	118	114	79	83	111	136	142	153	149	155
Saltpetre	81	78	77	77	77	78	78	77	97	100	99	103	107	107	99	103
Gold	–	–	–	–	–	–	–	–	119	127	130	134	140	137	126	135
Silver	84	79	77	75	71	73	79	74	–	–	–	–	–	–	–	–
In CALCUTTA—(Prices quoted from the "Calcutta Price Current"):																
Grey shirtings (8¼ lbs.)									76	80	81	79	81	76	74	74
Mule twist, white, good, No. 40									72	71	62	72	75	74	71	65
„ „ Turkey red, No. 40 (12 lbs.)									58	57	58	58	57	57	56	57
„ „ Orange, No. 40—60									78	73	75	86	85	85	77	73
Copper, sheathing									65	58	65	90	99	69	72	72
Iron, flat, bolt, bar, and square									54	50	53	59	65	79	64	64
Spelter, hard									84	97	109	128	107	144	151	151
Hides, buffalo, slaughtered									71	77	80	69	74	Nom.	Nil.	Nil.
Indigo, good									103	110	72	82	93	76	88	74
Jute, picked									110	118	131	153	192	192	123	219
Shell lac, fine orange									56	59	56	68	76	102	76	102
Linseed, fine, bold, clean									95	101	98	94	112	115	99	112
Rice, Ballam									139	176	106	118	147	165	159	168
Silk, raw, Cossimbazar									60	73	89	64	76	87	71	64
Tea, good Souchong									55	64	55	50	52	50	48	41
Wheat, Doodiah									66	72	81	76	87	81	86	103
Gold									119	122	123	131	135	131	122	131

* The values measured in silver in London have been calculated from the values in gold on the basis of the price of standard silver in London.

APPENDIX III.—*continued.*

TABLE V.—STATEMENT showing the true Financial Results to the REVENUES of *India* of the Guarantee of Interest upon the Capital of GUARANTEED RAILWAY COMPANIES.

	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.
	Miles.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open Mileage at end of official year.	3,896	3,912	* 3,241	3,243	† 2,588	2,588	2,588
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Gross Traffic Receipts	7,280,512	7,241,465	7,403,415	6,584,567	6,753,013	6,755,000	6,325,000
Working Expenses	3,633,396	3,604,795	3,752,607	3,365,933	3,251,739	3,292,000	3,065,000
Percentage of Working Expenses on Receipts	49·91	49·78	50·68	51·50	48·15	48·73	48·46
Net Traffic Receipts	3,647,116	3,636,670	3,650,808	3,168,634	3,501,274	3,463,000	3,260,000
Net gain by the remittance to England of Capital Receipts and Disbursements in India at the contract rates of exchange, instead of at the average yearly rates obtained for the Secretary of State's bills	—	—	—	—	—	—	—
TOTAL Revenue	3,647,116	3,636,670	3,650,808	3,168,634	3,501,274	3,463,000	3,260,000
Gross Guaranteed Interest paid in India *Rx.*	10,648	25,595	6,672	9,468	7,597	38,500	38,600
Gross Guaranteed Interest paid in London £.	2,696,976	2,694,920	2,697,388	2,337,058	2,354,130	2,114,200	2,145,100
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Total Guaranteed Interest (sterling payments converted at the average exchange of the year)	3,721,864	3,852,947	3,959,108	3,395,279	3,130,941	3,074,500	3,256,300
Surplus paid to Railway Companies	534,598	662,622	570,195	441,933	473,334	732,800	550,500
Land and Supervision	66,235	51,436	44,344	30,952	42,987	17,700	49,500
Interest on Revenue Balances	1,827	2,265	3,288	—	—	—	—
Net Loss on Receipts and Disbursements of Capital in India, calculated in the same way as the gain	115,343	78,683	86,909	142,733	87,538	185,100	136,600
TOTAL Expenditure *Rx.*	4,439,867	4,647,953	4,663,844	4,010,897	3,734,800	4,010,100	3,992,900
Net Expenditure from the Public Treasury	792,751	1,011,283	1,013,036	842,263	233,526	547,100	732,900
Net Revenue	—	—	—	—	—	—	—

* The Oude and Rohilkund Railway, 692 miles, was purchased by the State on the 1st January 1889, and the mileage is shown under State Railways.

† The South Indian Railway, 654½ miles, was purchased by the State on the 31st December 1890, and the mileage is shown under State Railways.

APPENDIX III.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS in 1890–91, and ESTIMATED EXPENDITURE on such Works in 1891–92 and 1892–93, and to End of 1892–93.

RAILWAYS.	Accounts, 1890–91.	Revised Estimate, 1891–92.	Budget Estimate, 1892–93.	To End of 1892–93.	Sanctioned Outlay.	Balance remaining Unspent.
OPEN LINES.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	—14,232	—65,700	140,100	14,390,731	14,390,731	—
Rajputana-Malwa	691	—45,000	11,000	9,275,277	9,275,277	—
Holkar	1,720	2,500	2,000	1,306,590	1,306,590	—
Rewari-Ferozepore	1,275	7,500	7,000	1,288,437	1,288,437	—
Bhopal	16,912	20,000	27,000	194,969	194,969	—
Warora Colliery	—25,095	2,290	26,200	682,297	682,297	—
Wardha Coal		—27,800	1,500			
Umaria Colliery	5,446	8,410	5,000	106,242	106,242	—
Burma, including Tounghoo-Mandalay	14,866	51,870	30,000	5,223,054	5,223,054	—
Jorhat	1,187	400	3,900	79,195	79,195	—
Cherra-Companygunj	404	—40	1,300	78,641	78,641	—
Eastern Bengal	237,997	111,160	180,690	8,375,748	8,375,748	—
Tirhoot	17,518	46,590	22,500	2,394,183	2,394,183	—
Tirhoot—Durbhunga-Bairaguia Branch	74,927					
Patna-Gya	593	1,600	10,000	446,273	446,273	—
Nalhati	981	700	—35,600	—33	—33	—
Kaunia-Dhurla	1,304	1,450	- -	97,926	97,926	—
Oudh and Rohilkhand	23,338	15,580	58,560	10,435,886	10,435,886	—
Cawnpore-Achnera	—45	1,300	10,000	1,157,601	1,157,601	—
Bareilly-Pilibhit	369	- -	- -	512,115	512,115	—
Lucknow-Sitapur-Seramau	—36,319	2,300	- -			
North Western	570,006	389,460	433,070	35,450,279	35,450,279	—
Chenab Bridge	7,599					
Jammu-Kashmir	3,055					
Amritsar-Pathankot	362	—640				
South Indian	*5,707,838	200,000	227,000	7,663,011	7,663,011	—
Bezvada Extension	3,460	2,000	1,000	142,759	142,759	—
Dhond and Manmad	447	6,000	7,000	1,112,444	1,112,444	—
TOTAL	6,616,544	731,930	1,169,220	100,413,625	100,413,625	—
LINES UNDER CONSTRUCTION.						
East Indian—Jherria Extension	- -	- -	160,000	160,000	341,225	181,225
Godhra-Rutlam	73,193	235,000	450,000	771,404	1,500,000	728,596
North Western—Mianwali-Mari Branch	69,203	26,000	5,000	120,536	160,003	39,467
Burma-Meiktila Branch	- -	3,650	6,900	10,550	30,342	19,792
Mu Valley	429,390	519,090	502,050	1,611,217	† 1,611,217	—
Bengal-Assam	- -	103,400	300,000	403,400	1,200,000	796,600
Eastern Bengal—Barsoe-Kissengunge Branch	- -	84,800	20,000	104,800	139,505	34,705
Lucknow-Rae Bareli-Jaunpur	- -	36,000	205,000	241,000	1,012,035	771,035
Bareilly-Rampur-Moradabad	- -	25,000	375,000	400,000	678,212	278,212
Petroleum Operations	1,232	—5,100	1,800	15,422	15,422	—
Frontier Railway Reserve Material	123,040	27,970	33,500	429,362	429,362	—
Peshawar Railway Reserve	- -	38,400	350	38,750	38,750	—
Mushkaf-Bolan	- -	130,700	200,000	330,700	1,700,000	1,369,300
Mari-Attock	- -	72,500	285,000	357,500	1,625,000	1,267,500
East Coast, including Kistna Bridge	288,293	1,250,000	1,088,100	2,629,039	4,800,000	2,170,961
Mayavaram-Mutupet	28,612	53,100	155,000	236,712	239,670	2,958
Dharmavaram-Hindupur	1,907	113,200	150,000	266,876	280,000	13,124
Hyderabad-Umarkot	- -	125,400	23,000	148,400	152,000	3,600
TOTAL	1,014,870	2,839,110	3,960,700	8,275,668	15,952,743	7,677,075
Carried forward	7,631,414	3,571,040	5,129,920	108,689,293	116,366,368	7,677,075

* Includes the following—

	£.
Debt created for redemption of Share Capital	4,197,557
Less—Capital deposited by the new Company	1,000,000
	3,197,557
Debenture Stock taken over	425,000
Debentures taken over	1,070,000
Total	£. 4,692,557

† Estimated cost of whole project not known.

APPENDIX III.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE ON STATE RAILWAYS, &c.—*continued.*

RAILWAYS.	Accounts, 1890-91.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.	To End of 1892-93.	Sanctioned Outlay.	Balance remaining Unspent.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward - - -	7,631,414	3,571,040	5,129,920	108,689,293	116,366,368	7,677,075
LINES IN ABEYANCE OR TRANSFERRED TO COMPANIES.						
Ranaghat-Bhagwangola - - - - -	- -	- -	- -	30,244	30,244	—
Southern Mahratta - - - - - -	- -	- -	- -	* 52,707	52,707	—
Bellary-Kistna - - - - - - -	2,075	50	- -	1,657,553	1,657,553	—
Bilaspur-Etawah - - - - - - -	- -	- -	- -	7,514	7,514	—
Vizagapatam-Raipur - - - - - -	- -	- -	- -	24,504	24,504	—
TOTAL - - -	2,075	50	- -	1,772,522	1,772,522	—
Stores and Reserve - - - - - -	—24,134	—94,880	—331,720	—357,920	—357,920	—
Nagpur-Chhattisgarh Depreciation Account -	—39,827	—19,100	- -	72,684	72,684	—
GRAND TOTAL - - -	7,569,528	3,457,110	4,798,200	110,176,579	117,853,654	7,677,075
Deduct—Probable lapse - - - -	- -	—200,000	- -	—200,000	- -	200,000
	7,569,528	3,257,110	4,798,200	109,976,579	117,853,654	7,877,075
Distributed as under :—						
Capital Expenditure on Public Works (not charged against Revenue) :						
State Railways—Construction -	2,881,783	2,779,600	3,485,000	65,796,628	—	—
Redemption of Liabilities - -	4,692,557	- -	- -	33,553,451	—	—
Famine Relief and Insurance :						
Protective Railways - - - - -	- -	294,900	1,011,700	4,240,579	—	—
Construction of Railways (charged against Revenue in addition to that under Famine Insurance) - - -	—4,812	182,610	301,500	6,385,921	—	—
TOTAL as above - - -	7,569,528	3,257,110	4,798,200	109,976,579	117,853,654	7,877,075

* Represents depreciation on works and stores allowed by Government on transfer to the Company.

APPENDIX III.—*continued.*

TABLE VII.—CAPITAL EXPENDITURE on IRRIGATION—MAJOR WORKS, in 1890-91, and ESTIMATED EXPENDITURE on such Works in 1891-92, 1892-93, and to the End of 1892-93.

	Accounts, 1890-91.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.	TOTAL Actual and Estimated Outlay to End of 1892-93.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be Spent.
IRRIGATION WORKS. CAPITAL EXPENDITURE NOT CHARGED AGAINST REVENUE.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Bengal.						
Orissa Canals	33,160	41,600	40,000	2,503,388	3,139,622	636,234
Midnapore Canal:						
Old outlay	—4,030	- -	- -	822,571	831,677	—
Outlay against Open Capital sanctions	441	1,600	- -	3,453	5,632	2,179
Hidgellee Tidal Canal:						
Old outlay	- -	- -	- -	179,549	177,503	—
Outlay against Supplementary Estimate	15,288	27,100	6,900	54,230	76,915	22,685
Sone Canals:						
Old outlay	17,136	- -	- -	2,552,800	2,788,870	—
Outlay against Open Capital sanctions	- -	21,200	20,000	41,200	—	—
North Western Provinces and Oudh.						
Ganges Canal:						
Old outlay	15,473	- -	- -	2,685,061	2,923,592	—
Outlay against Open Capital sanctions	- -	20,500	28,500	49,000	24,724	—
Lower Ganges Canal:						
Old outlay	18,915	- -	- -	3,099,851	3,273,832	—
Outlay against Open Capital sanctions	- -	19,700	25,400	45,100	4,751	—
Agra Canal:						
Old outlay	3,393	- -	- -	849,147	871,752	—
Outlay against Open Capital sanctions	- -	3,600	5,500	9,100	3,294	—
Eastern Jumna Canal:						
Old outlay	4,622	- -	- -	318,507	344,191	—
Outlay against Open Capital sanctions	- -	5,900	10,600	16,500	5,752	—
Punjab.						
Western Jumna Canal:						
Old outlay	- -	- -	- -	1,056,612	1,078,050	—
Outlay against Open Capital sanctions	5,844	7,500	20,000	33,344	29,848	—
Western Jumna Canal, Sirsa Branch (State outlay).	46,442	55,200	60,000	175,115	289,269	114,154
Bari Doab Canal:						
Old outlay	- -	- -	- -	1,577,572	1,579,860	—
Outlay against Open Capital sanctions	2,821	2,000	30,000	34,821	1,687	—
Carried forward	159,505	205,900	246,900	16,106,921	—	—

APPENDIX III.—*continued.*

TABLE VII.—CAPITAL EXPENDITURE ON IRRIGATION, &c.—*continued.*

	Accounts, 1890-91.	Revised Estimate, 1891-92.	Budget Estimate, 1892-93.	TOTAL Actual and Estimated Outlay to End of 1892-93.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward	159,505	205,900	246,900	16,106,921	—	—
Punjab—continued.						
Sirhind Canal (State outlay):						
Old outlay	—26,398	- -	- -	2,213,442	2,226,440	—
Outlay against Open Capital sanctions	- -	36,800	20,000	56,800	88,371	31,571
Chenab Canal	188,781	335,000	120,000	1,009,815	998,500	—
Madras.						
Godavari Delta System:						
Old outlay	- -	- -	- -	1,083,306	1,108,933	—
Outlay against Open Capital sanctions	976	6,700	- -	7,676	9,922	2,246
Kistna Delta System	47,098	42,200	42,300	1,015,374	1,391,978	376,604
Sangam Anicut System	1,899	3,100	3,600	304,687	306,500	1,813
Periyar Project	106,017	101,200	84,100	451,910	542,500	90,590
Bombay.						
Desert Canal	- -	600	- -	122,301	123,479	1,178
Begari Canal	- -	- -	- -	162,561	162,561	—
Eastern Nara Works	7,938	11,800	18,000	542,865	527,670	—
Mutha Canals	4,713	1,300	13,300	622,583	605,323	—
Other projects	13,955	6,800	22,800	3,287,038	—	—
	504,484	751,400	571,000	26,987,279	—	—
Deduct,—Outlay incurred from ordinary Revenues	20,635	31,000	21,000	5,516,528	—	—
TOTAL	483,849	720,400	550,000	21,470,751	—	—
FAMINE RELIEF AND INSURANCE.						
PROTECTIVE IRRIGATION WORKS.						
North Western Provinces and Oudh.						
Betwa Canal	1,297	1,300	3,100	400,907	425,141	24,234
Punjab.						
Swat River Canal	3,095	1,000	4,500	353,089	354,581	1,492
Madras.						
Rushikulya Project	45,457	64,000	45,000	292,427	394,000	101,573
Bombay.						
Nira Canal	23,858	11,800	12,200	509,834	487,938	—
Other projects	685	700	200	410,316	—	—
	74,392	78,800	65,000	1,966,573	—	—
Deduct,—Outlay incurred from ordinary Revenues	- -	- -	- -	285,434	—	—
TOTAL	74,392	78,800	65,000	1,681,139	—	—
GRAND TOTAL	558,241	799,200	615,000	23,151,890	—	—

APPENDIX III.—*continued.*

TABLE VIII.—GROSS RECEIPTS, WORKING EXPENSES, and NET TRAFFIC RECEIPTS, of GUARANTEED and STATE RAILWAYS, for Five Years ending 1890-91, with REVISED ESTIMATES for 1891-92, and BUDGET ESTIMATES for 1892-93.

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.	1891-92.	1892-93.
GUARANTEED RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	3,921	3,896	3,912	* † 3,241	3,243	‡ 2,588	2,588
Gross Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Madras	794,264	821,537	861,715	942,442	963,219	930,000	960,000
South Indian	512,196	506,398	551,270	582,050	468,015	—	—
Bombay, Baroda, and Central India	1,343,613	1,227,163	1,300,596	1,308,085	1,325,745	1,405,000	1,345,000
Great Indian Peninsula	3,971,652	3,984,601	4,208,148	3,701,990	3,996,034	4,420,000	4,020,000
Oudh and Rohilkhand	658,787	701,776	481,686	—	—	—	—
TOTAL	7,280,512	7,241,465	7,403,415	6,534,567	6,753,013	6,755,000	6,325,000
Working Expenses.							
Madras	504,611	513,922	498,676	536,576	497,965	540,000	540,000
South Indian	346,206	372,378	382,017	377,325	281,260	—	—
Bombay, Baroda, and Central India	562,972	520,158	559,640	559,210	537,342	590,000	565,000
Great Indian Peninsula	1,857,344	1,842,185	1,999,032	1,892,822	1,935,172	2,162,000	1,960,000
Oudh and Rohilkhand	362,263	356,152	313,242	—	—	—	—
TOTAL	3,633,396	3,604,795	3,752,607	3,365,933	3,251,739	3,292,000	3,065,000
Net Traffic Receipts.							
Madras	289,653	307,605	363,039	405,866	465,254	390,000	420,000
South Indian	165,990	134,020	169,253	204,725	186,755	—	—
Bombay, Baroda, and Central India	780,641	707,005	740,956	748,875	788,403	815,000	780,000
Great Indian Peninsula	2,114,308	2,142,416	2,209,116	1,809,168	2,060,862	2,258,000	2,060,000
Oudh and Rohilkhand	296,524	345,624	168,444	—	—	—	—
TOTAL	3,647,116	3,636,670	3,650,808	3,168,634	3,501,274	3,463,000	3,260,000
STATE RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	7,227	8,081	8,979	(*a*) 10,407	11,055	(*b*) 12,645	12,909
Gross Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	4,707,202	4,603,216	4,471,119	4,474,030	4,428,495	4,930,300	4,650,300
Dildarnagar-Ghazipur	4,738	4,833	4,604				
Rajputana-Malwa	1,818,351	1,698,296	1,903,833	1,938,223	1,851,105	2,170,000	1,926,200
Sindia	39,183	45,739	37,080	7,108	—	—	—
Bhopal	3,505	4,976	5,512	7,916	8,777	14,400	17,000
Warora Colliery	74,742	78,021	88,442	82,187	90,930	52,000	56,000
Wardha Coal						25,600	25,000
Bengal-Nagpur	131,760	137,477	163,517	218,157	319,391	618,000	650,000
Katni-Umaria	3,326	8,125	—	—	—	—	—
Umaria Colliery	6,873	11,447	17,822	26,408	33,979	28,200	42,000
Burma	291,663	331,041	314,241	348,338	376,678	410,000	600,000
Tounghoo-Mandalay	—	—	31,901	161,449	193,310	195,000	—
Mu Valley	—	—	—	—	—	—	30,000
Jorhat	3,911	4,968	5,964	6,046	6,198	6,500	6,500
Cherra-Companygunj	226	1,220	620	1,235	1,713	2,000	2,300
Eastern Bengal	842,077	958,431	1,070,589	1,145,727	1,220,112	1,145,000	1,180,000
Tirhoot	159,921	180,506	170,854	211,182	69,726	—	—
Bengal and North Western and Tirhoot	—	—	—	—	320,600	485,000	520,000
Nalhati	8,654	9,405	10,459	10,444	10,008	9,000	—
Patna-Gya	52,645	52,887	49,895	52,151	51,749	60,500	55,000
Bengal Central	34,575	75,538	72,389	72,991	74,047	75,000	75,000
Oudh and Rohilkhand	—	—	174,788	784,746	734,471	860,000	830,000
Benares Branch	—	175	700				
Indian Midland	9,234	30,563	108,154	314,730	331,908	425,000	440,000
Bareilly-Pilibhit	10,126	9,558	9,350	10,985	9,954	—	—
Lucknow-Sitapur-Seramau	1,656	18,305	25,428	31,888	33,729	—	—
Lucknow-Bareilly	—	—	—	—	7,356	55,500	60,000
North Western	2,373,245	2,188,185	2,573,190	2,905,416	2,730,774	3,220,000	2,880,000
Amritsar-Pathankot	7,320	7,350	8,738	10,154	11,225	11,200	—
South Indian	—	—	—	—	147,044		
Villupuram-Guntakal	—	—	—	—	1,995	716,200	807,200
Villupuram-Guntakal—Nellore Branch	—	4,845	23,566	25,454	24,260		
Bellary-Kistna	—	6,181	—	—	—	—	—
Mysore	37,401	51,481	59,014	101,156	122,768	132,500	137,000
Bezváda Extension	—	—	—	7,667	7,473	8,550	9,100
East Coast	—	—	—	—	—	—	15,000
Dhond and Manmad §	23,376	22,734	25,545	24,943	26,313	29,600	29,600
Southern Mahratta	182,317	326,423	399,806	407,133	457,136	483,000	490,000
Hyderabad-Umarkot	—	—	—	—	—	—	10,700
TOTAL	10,829,027	10,871,926	11,827,120	13,387,864	13,703,224	16,168,050	15,543,900

* The Bellary Branch of the Madras Railway, 33 miles in length, having been transferred to the Southern Mahratta Railway, the mileage is shown under State Railways.

† The Oude and Rohilkund Railway, 692 miles, was purchased by the State on 1st January 1889, and the mileage is shown under State Railways.

‡ The South Indian Railway, 654½ miles, was purchased by the State on the 31st December 1890, and the mileage is shown under State Railways.

§ The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.

(*a*) Includes the length of the Oudh and Rohilkhand Railway.

(*b*) Includes the length of the South Indian and Bengal and North Western Railways.

APPENDIX III.—*continued.*

TABLE VIII.—RECEIPTS AND EXPENSES OF RAILWAYS, &c.—*continued.*

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.	1891-92.	1892-93.
STATE RAILWAYS—*continued.*							
Working Expenses.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	1,721,762	1,662,581	1,689,946	1,682,537	1,484,563	1,675,000	1,516,500
Dildarnagar-Ghazipur	2,461	2,245	2,195				
Rajputana-Malwa	980,031	907,154	970,424	1,020,867	926,066	1,077,500	995,500
Sindia	19,472	21,322	17,703	3,372	—	—	—
Bhopal	2,556	4,457	4,977	8,458	10,434	9,500	13,600
Warora Colliery	59,627	68,028	61,323	57,343	64,772	42,500	43,800
Wardha Coal						20,450	19,500
Bengal-Nagpur	80,370	86,760	127,058	147,176	234,881	305,000	325,000
Katni-Umaria	2,538	9,600	—	—	—	—	—
Umaria Colliery	8,149	2,634	20,363	22,418	23,681	26,000	32,400
Burma	173,250	176,841	189,876	204,756	207,845	231,500	340,000
Tounghoo-Mandalay	—	—	32,545	120,702	108,278	115,700	—
Mu Valley	—	—	—	—	—	—	30,000
Jorhat	5,376	6,441	5,707	6,231	5,797	6,000	6,400
Cherra-Companygunj	2,361	3,716	2,116	2,672	1,917	1,950	2,100
Eastern Bengal	507,354	481,139	493,105	510,317	542,205	615,000	540,000
Tirhoot	98,583	106,156	96,254	90,553	31,093	—	—
Bengal and North Western and Tirhoot	—	—	—	—	131,952	422,500	360,000
Nalhati	6,711	6,192	8,541	7,594	7,832	6,000	—
Patna-Gya	27,898	24,613	23,786	25,395	23,739	25,600	24,200
Bengal Central	43,351	67,611	51,147	45,648	49 263	57,500	53,500
Oudh and Rohilkhand	—	—	54,558	343,935	350,043	380,000	350,000
Benares Branch	—	69	80				
Indian Midland	8,199	20,098	69,512	234,086	254,146	293,000	280,000
Bareilly-Pilibhit	7,675	6,766	6,592	7,300	7,893	—	—
Lucknow-Sitapur-Seramau	1,207	14,998	18,153	21,266	23,529	—	—
Lucknow-Bareilly	—	—	—	—	4,428	35,000	38,000
North Western	1,316,886	1,633,529	1,742,526	1,856,235	1,749,515	1,950,000	1,880,000
Amritsar-Pathankot	— 2,218	—	—	—	—	—	—
South Indian	—	—	—	—	70,577	492,000	540,000
Villupuram-Guntakal	—	—	—	—	1,344		
Villupuram-Guntakal—Nellore Branch	—	9,154	27,060	18,369	17,149		
Bellary-Kistna	—	8,519	—	—	—	—	—
Mysore	20,144	42,426	47,744	90,598	96,446	97,200	101,000
Bezváda Extension	—	—	—	6,083	5,837	5,800	6,400
East Coast	—	—	—	—	—	—	8,250
Dhond and Manmad*	—	—	—	—	—	—	—
Southern Mahratta	125,596	222,138	298,965	330,529	336,715	352,500	365,000
Hyderabad-Umarkot	—	—	—	—	—	—	7,700
Deduct—Probable lapse	—	—	—	—	—	—100,000	—
TOTAL	5,219,889	5,594,187	6,059,256	6,864,440	6,771,940	8,143,200	7,878,850
Net Traffic Receipts.							
East Indian	2,985,440	2,940,635	2,781,173	2,791,493	2,943,932	3,255,300	3,133,800
Dildarnagar-Ghazipur	2,277	2,588	2,409				
Rajputana-Malwa	838,320	791,142	933,409	917,356	925,039	1,092,500	930,700
Sindia	19,711	24,417	19,377	3,736	—	—	—
Bhopal	949	519	535	— 542	— 1,657	4,900	3,400
Warora Colliery	15,115	9,993	27,119	24,844	26,158	9,500	12,200
Wardha Coal						5,150	5,600
Bengal-Nagpur	51,390	50,717	36,459	70,981	84,510	313,000	325,000
Katni-Umaria	738	— 1,475	—	—	—	—	—
Umaria Colliery	— 1,276	8,813	— 2,541	3,990	10,298	2,200	9,600
Burma	118,413	155,200	124,365	143,582	168,838	178,500	260,000
Tounghoo-Mandalay	—	—	— 644	40,747	85,032	79,300	—
Mu Valley	—	—	—	—	—	—	—
Jorhat	— 1,465	— 1,473	257	— 185	401	500	100
Cherra-Companygunj	— 2,135	— 2,496	— 1,496	— 1,437	— 204	50	200
Eastern Bengal	334,223	477,292	580,484	635,410	677,907	530,000	640,000
Tirhoot	61,338	74,350	74,600	120,629	38,633	—	—
Bengal and North Western and Tirhoot	—	—	—	—	188,648	62,500	160,000
Nalhati	1,943	3,213	1,918	2,850	2,176	3,000	—
Patna-Gya	25,747	28,274	26,109	26,756	28,010	34,900	30,800
Bengal Central	— 8,776	7,927	21,242	27,343	24,784	17,500	21,500
Oudh and Rohilkhand	—	—	120,230	440,811	384,428	480,000	480,000
Benares Branch	—	106	620				
Indian Midland	1,035	10,465	38,642	60,644	77,762	132,000	160,000
Bareilly-Pilibhit	2,451	2,792	2,758	3,685	2,061	—	—
Lucknow-Sitapur-Seramau	449	3,307	7,275	10,832	10,200	—	—
Lucknow-Bareilly	—	—	—	—	2,928	20,500	22,000
North Western	1,056,359	554,656	830,664	1,049,181	981,259	1,270,000	1,000,000
Amritsar-Pathankot	9,538	7,350	8,738	10,154	11,225	11,200	—
South Indian	—	—	—	—	76,467	224,200	267,200
Villupuram-Guntakal	—	—	—	—	651		
Villupuram-Guntakal—Nellore Branch	—	— 4,309	— 3,494	7,085	7,111	—	—
Bellary-Kistna	—	— 2,338	—	—	—	—	—
Mysore	17,257	9,055	11,270	10,558	26,322	35,300	36,000
Bezváda Extension	—	—	—	1,584	1,636	2,750	2,700
East Coast	—	—	—	—	—	—	6,750
Dhond and Manmad*	23,376	22,734	25,545	24,943	26,313	29,600	29,600
Southern Mahratta	56,721	104,285	100,841	76,504	120,421	130,500	125,000
Hyderabad-Umarkot	—	—	—	—	—	—	3,000
Add—For probable lapse on working expenses	—	—	—	—	—	100,000	—
TOTAL	5,609,138	5,277,739	5,767,864	6,523,424	6,931,284	8,024,850	7,665,050

* The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.

APPENDIX III.—*continued.*

TABLE IX.—GROSS RECEIPTS, WORKING EXPENSES, and NET EARNINGS of IRRIGATION—MAJOR WORKS, for Five Years ending 1890-91, with REVISED ESTIMATE for 1891-92, and BUDGET ESTIMATE for 1892-93.

	ACTUALS.					Revised Estimate,	Budget Estimate,
	1886-87.	1887 88.	1888-89.	1889-90.	1890-91.	1891-92.	1892-93.
DIRECT RECEIPTS:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Orissa Canals	17,961	22,304	24,351	30,422	34,501	33,800	33,800
Midnapore Canal	23,419	23,438	25,180	27,761	23,720	24,700	23,500
Hidgellee Tidal Canal	5,440	4,186	5,517	4,195	2,804	4,500	6,000
Sone Canals	91,843	60,395	84,389	89,750	73,648	81,200	83,500
Ganges Canal	220,926	197,254	213,014	199,141	248,974	256,200	213,000
Lower Ganges Canal	105,666	106,614	123,382	133,309	140,604	177,000	133,000
Agra Canal	61,338	48,148	46,622	56,566	61,390	59,500	53,200
Eastern Jumna Canal	69,864	70,305	71,154	63,514	83,255	81,000	72,000
Betwa Canal	2,070	3,057	7,313	7,585	7,455	10,000	8,000
Western Jumna Canal	83,898	135,366	90,170	113,116	160,321	150,000	135,000
Chenab Canal	- -	25	3,768	7,711	9,793	10,000	17,000
Bari Doab Canal	129,138	126,141	139,232	139,663	149,559	168,000	191,800
Sirhind Canal	35,491	69,900	113,233	133,917	168,523	200,000	220,000
Swat River Canal	2,672	10,326	22,753	24,941	25,048	20,000	25,600
Godavari Delta System	10,601	12,431	10,653	11,492	12,236	11,000	11,000
Kistna Delta System	3,791	4,394	4,669	4,502	5,047	5,000	5,000
Sangam Anicut System	- -	86	142	91	127	100	100
Desert Canal	3,735	3,697	7,037	5,193	2,803	2,700	4,000
Begari Canal	4,544	2,549	5,097	4,404	2,836	2,300	2,700
Eastern Nara Works	1,772	1,599	1,681	1,753	2,206	2,000	1,900
Mutha Canals	18,340	18,958	21,640	20,625	21,881	20,900	21,500
Nira Canal	274	768	1,029	2,756	3,609	4,100	6,000
Other projects	17,041	29,020	39,776	50,177	44,343	47,600	55,600
TOTAL	909,824	950,961	1,061,802	1,132,584	1,284,683	1,371,600	1,323,200
PORTION OF LAND REVENUE DUE TO IRRIGATION:							
Ganges Canal	44,301	44,301	44,301	54,731	66,446	67,700	67,700
Lower Ganges Canal	20,783	20,783	20,959	20,959	20,959	21,000	21,000
Eastern Jumna Canal	22,153	22,154	22,153	22,153	23,292	24,400	24,400
Western Jumna Canal	5,832	5,140	5,275	4,737	2,368	—	—
Bari Doab Canal	60,497	37,526	40,469	42,467	44,046	24,500	—
Godavari Delta System	178,140	183,853	195,920	200,371	204,703	204,600	210,400
Kistna Delta System	113,667	132,273	142,362	150,618	167,461	167,900	168,000
Sangam Anicut System	5,824	8,041	8,541	12,000	12,946	14,800	14,800
Desert Canal	6,072	8,254	11,030	13,120	12,854	6,400	15,100
Begari Canal	19,377	19,391	25,223	22,498	18,922	15,900	22,600
Eastern Nara Works	22,753	28,020	34,586	42,908	38,890	44,700	47,900
Mutha Canals	*—476*	*—468*	*—562*	*—538*	*—595*	—.	—
Nira Canal	*—6*	*—31*	*—44*	*—128*	*—171*	—	—
Other projects	98,552	93,318	120,828	103,870	96,875	97,600	112,500
TOTAL	597,469	602,555	671,041	689,766	708,996	689,500	704,400
TOTAL REVENUE:							
Orissa Canals	17,961	22,304	24,351	30,422	34,501	33,800	33,800
Midnapore Canal	23,419	23,438	25,180	27,761	23,720	24,700	23,500
Hidgellee Tidal Canal	5,440	4,186	5,517	4,195	2,804	4,500	6,000
Sone Canals	91,843	60,395	84,389	89,750	73,648	81,200	83,500
Ganges Canal	265,227	241,555	257,315	253,872	315,420	323,900	280,700
Lower Ganges Canal	126,449	127,397	144,341	154,268	161,563	198,000	154,000
Agra Canal	61,338	48,148	46,622	56,566	61,390	59,500	53,200
Eastern Jumna Canal	92,017	92,459	93,307	85,667	106,547	105,400	96,400
Betwa Canal	2,070	3,057	7,313	7,585	7,455	10,000	8,000
Western Jumna Canal	89,730	140,506	95,445	117,853	162,689	150,000	135,000
Chenab Canal	- -	25	3,768	7,711	9,793	10,000	17,000
Bari Doab Canal	189,635	163,667	179,701	182,130	193,605	192,500	191,800
Sirhind Canal	35,491	69,900	113,233	133,917	168,523	200,000	220,000
Swat River Canal	2,672	10,326	22,753	24,941	25,048	20,000	25,600
Godavari Delta System	188,741	196,284	206,573	211,863	216,939	215,600	221,400
Kistna Delta System	117,458	136,667	147,031	155,120	172,508	172,900	173,000
Sangam Anicut System	5,824	8,127	8,683	12,091	13,073	14,900	14,900
Desert Canal	9,807	11,951	18,067	18,313	15,657	9,100	19,100
Begari Canal	23,921	21,940	30,320	26,902	21,758	18,200	25,300
Eastern Nara Works	24,525	29,619	36,267	44,661	41,096	46,700	49,800
Mutha Canals	17,864	18,490	21,078	20,087	21,286	20,900	21,500
Nira Canal	268	737	985	2,628	3,438	4,100	6,000
Other projects	115,593	122,338	160,604	154,047	141,218	145,200	168,100
TOTAL	1,507,293	1,553,516	1,732,843	1,822,350	1,993,679	2,061,100	2,027,600

APPENDIX III.—*continued.*

TABLE IX.—GROSS RECEIPTS, WORKING EXPENSES and Net Earnings of Irrigation, &c.—*continued.*

	ACTUALS.					Revised Estimate,	Budget Estimate,
	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.	1891-92.	1892-93.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
WORKING EXPENSES:							
Orissa Canals	50,193	48,131	38,717	43,170	43,946	39,100	42,000
Midnapore Canal	22,637	24,007	20,035	20,067	19,925	26,800	23,000
Hidgellee Tidal Canal	2,284	6,490	7,535	2,572	5,197	5,100	3,900
Sone Canals	58,146	71,731	75,522	69,747	66,059	71,300	68,400
Ganges Canal	85,535	88,300	91,931	95,789	104,495	102,500	98,300
Lower Ganges Canal	79,186	86,397	96,850	90,792	88,981	84,400	90,400
Agra Canal	28,337	24,478	24,113	25,975	23,225	24,700	23,800
Eastern Jumna Canal	20,562	19,266	25,467	24,718	29,804	30,600	31,200
Betwa Canal	6,995	8,295	10,444	10,721	10,534	10,000	10,200
Western Jumna Canal	48,869	55,527	47,536	47,917	56,050	49,500	48,000
Chenab Canal	- -	5,733	7,835	9,823	8,951	12,000	19,000
Bari Doab Canal	55,781	49,665	56,561	56,970	56,593	71,800	67,500
Sirhind Canal	23,071	34,537	53,647	60,404	58,600	55,000	57,500
Swat River Canal	5,243	8,375	8,745	9,221	10,247	10,500	7,500
Godavari Delta System	48,594	51,680	52,221	46,792	56,050	50,700	49,000
Kistna Delta System	32,514	32,663	32,299	36,552	38,576	40,800	39,400
Sangam Anicut System	2,577	4,369	4,170	4,830	5,213	4,800	4,300
Desert Canal	4,075	4,041	2,718	3,690	3,715	10,800	7,400
Begari Canal	5,300	6,126	6,452	7,583	6,052	6,500	7,100
Eastern Nara Works	6,443	5,474	8,393	8,266	9,375	8,400	9,500
Mutha Canals	6,838	6,034	6,246	7,712	7,085	7,600	7,700
Nira Canal	1,822	1,673	1,716	2,466	2,734	3,000	3,200
Other projects	31,771	34,615	42,523	41,781	47,006	46,300	52,100
TOTAL	626,773	677,607	721,676	727,558	758,413	772,800	771,000
NET REVENUE:							
Orissa Canals	*-32,232*	*—25,827*	*—14,366*	*—12,748*	*—9,445*	*—5,300*	*—8,200*
Midnapore Canal	782	*—569*	5,145	7,694	3,795	*—2,100*	500
Hidgellee Tidal Canal	3,156	*—2,304*	*—2,018*	1,623	*—2,393*	*—600*	2,100
Sone Canals	33,697	*—11,336*	8,867	20,003	7,589	9,900	15,100
Ganges Canal	179,692	153,255	165,384	158,083	210,925	221,400	182,400
Lower Ganges Canal	47,263	41,000	47,491	63,476	72,582	113,600	63,600
Agra Canal	33,001	23,670	22,509	30,591	38,165	34,800	29,400
Eastern Jumna Canal	71,455	73,193	67,840	60,949	76,743	74,800	65,200
Betwa Canal	*—4,925*	*—5,238*	*—3,131*	*—3,136*	*—3,079*	- -	*—2,200*
Western Jumna Canal	40,861	84,979	47,909	69,936	106,639	100,500	87,000
Chenab Canal	- -	*—5,708*	*—4,067*	*—2,112*	842	*—2,000*	*—2,000*
Bari Doab Canal	133,854	114,002	123,140	125,160	137,012	120,700	124,300
Sirhind Canal	12,420	35,363	59,586	73,513	109,923	145,000	162,500
Swat River Canal	*—2,571*	1,951	14,008	15,720	14,801	9,500	18,100
Godavari Delta System	140,147	144,604	154,352	165,071	160,889	164,900	171,800
Kistna Delta System	84,944	104,004	114,732	118,568	133,932	132,100	133,600
Sangam Anicut System	3,247	3,758	4,513	7,261	7,860	10,100	10,600
Desert Canal	5,732	7,910	15,349	14,623	11,942	*—1,700*	11,700
Begari Canal	18,621	15,814	23,868	19,319	15,706	11,700	18,200
Eastern Nara Works	18,082	24,145	27,874	36,395	31,721	38,300	40,300
Mutha Canals	11,026	12,456	14,832	12,375	14,201	13,300	13,800
Nira Canal	*—1,554*	*—936*	*—731*	162	704	500	2,800
Other projects	83,822	87,723	118,081	112,266	94,212	98,900	116,000
TOTAL	880,520	875,909	1,011,167	1,094,792	1,235,266	1,288,300	1,256,600

APPENDIX III.—*continued.*

CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDISED RAILWAYS.

TABLE X.—ABSTRACT of BUDGET ESTIMATES of CAPITAL TRANSACTIONS of GUARANTEED and SUBSIDISED RAILWAYS, 1891-92 and 1892-93.

RAILWAYS.	AMOUNT IN RUPEES.			AMOUNT OF EXCHANGE.			AMOUNT IN POUNDS STERLING.		
	1891-92.		Budget, 1892-93.	1891-92.		Budget, 1892-93.	1891-92.		Budget, 1892-93.
	Budget.	Revised.		Budget.	Revised.		Budget.	Revised.	
GUARANTEED RAILWAYS.									
RECEIPTS.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	£.	£.	£.
Madras	23,00,000	23,50,000	21,50,000	1,92,000	1,96,000	1,79,000	210,800	215,400	197,100
Bombay, Baroda, and Central India	25,50,000	26,25,000	27,00,000	2,12,000	2,19,000	2,25,000	233,800	240,600	247,500
Great Indian Peninsula	68,00,000	79,50,000	72,65,000	5,67,000	6,62,000	6,05,000	623,300	728,800	666,000
TOTAL	1,16,50,000	1,29,25,000	1,21,15,000	9,71,000	10,77,000	10,09,000	1,067,900	1,184,800	1,110,600
ADVANCES.									
Madras	22,00,000	20,00,000	23,00,000	1,84,000	1,67,000	1,92,000	201,600	183,300	210,800
Bombay, Baroda, and Central India	15,00,000	13,75,000	16,00,000	1,25,000	1,15,000	1,33,000	137,500	126,000	146,700
Great Indian Peninsula	45,00,000	37,00,000	45,70,000	3,75,000	3,08,000	3,80,000	412,500	339,200	419,000
TOTAL	82,00,000	70,75,000	84,70,000	6,84,000	5,90,000	7,05,000	751,600	648,500	776,500
NET RECEIPTS.									
Madras	1,00,000	3,50,000	—1,50,000	8,000	29,000	—13,000	9,200	32,100	—13,700
Bombay, Baroda, and Central India	10,50,000	12,50,000	11,00,000	87,000	1,04,000	92,000	96,300	114,600	100,800
Great Indian Peninsula	23,00,000	42,50,000	26,95,000	1,92,000	3,54,000	2,25,000	210,800	389,600	247,000
TOTAL	34,50,000	58,50,000	36,45,000	2,87,000	4,87,000	3,04,000	316,300	536,300	334,100
SUBSIDISED RAILWAYS.									
RECEIPTS.									
Capital received in India:									
Nilgiri Railway	14,00,000	3,50,000	16,00,000	- -	- -	- -	140,000	35,000	160,000
Lucknow-Bareilly	- -	20,34,000	- -	- -	4,25,630	- -	- -	160,837	—
Gain on Remittances to India:									
Southern Mahratta	- -	- -	- -	33,000	33,000	1,33,000	—3,300	—3,300	—13,300
Mysore	—	—	—	—	—	—	—	—	—
Bengal Assam	—	—	—	—	—	—	—	—	—
Indian Midland	- -	- -	- -	1,07,000	96,000	1,50,000	—10,700	—9,600	—15,000
Bengal Central	- -	- -	- -	800	- -	- -	—80	—	—
Bengal-Nagpur	- -	- -	- -	1,96,000	1,74,000	3,19,000	—19,600	—17,400	—31,900
Lucknow-Bareilly	- -	- -	- -	21,600	20,000	15,000	—2,160	—2,000	—1,500
TOTAL	14,00,000	23,84,000	16,00,000	3,63,400	7,48,630	6,17,000	103,660	163,537	98,300
WITHDRAWALS.									
Southern Mahratta	5,00,000	2,88,000	2,28,000	83,000	48,000	38,000	41,700	24,000	19,000
Mysore	7,38,000	2,50,000	6,55,000	1,84,500	63,000	1,64,000	55,350	18,700	49,100
Bengal Assam	- -	- -	50,00,000	- -	- -	16,67,000	- -	- -	333,300
Indian Midland	14,50,000	8,57,000	9,47,000	2,90,000	1,71,000	1,89,000	116,000	68,600	75,800
Bengal Central	3,49,000	2,00,000	1,00,000	1,00,000	57,000	29,000	24,900	14,300	7,100
Bengal-Nagpur	24,65,000	37,00,000	24,00,000	5,69,000	8,54,000	5,54,000	189,600	284,600	184,600
Lucknow-Bareilly	4,57,000	3,80,000	1,50,000	91,000	76,000	30,000	36,600	30,400	12,000
Nilgiri Railway	14,00,000	4,50,000	16,00,000	- -	- -	- -	140,000	45,000	160,000
TOTAL	73,59,000	61,25,000	1,10,80,000	13,17,500	12,69,000	26,71,000	604,150	485,600	840,900
Net Withdrawals	59,59,000	37,41,000	94,80,000	9,54,100	5,20,370	20,54,000	500,490	322,063	742,600
GUARANTEED AND SUBSIDISED RAILWAYS.									
Net Withdrawals	25,09,000	—21,09,000	58,35,000	6,67,100	33,370	17,50,000	184,190	—214,237	408,500

RETURN.

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(Financial Statement).

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"RETURN of the East India Financial Statement for 1893-94, and of the Debate and Proceedings thereon in the Legislative Council of India on 30th March 1893."

India Office,
5 May 1893.

A. GODLEY,
Under Secretary of State for India.

(*Mr. Naoroji.*)

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FINANCIAL STATEMENT FOR 1893-94.

CONTENTS.

PART I.

IMPERIAL REVENUE AND EXPENDITURE.

	PARA.	PAGE.
Preliminary	1	5
I. Accounts of 1891–92	5	6
II. Revised Estimate of 1892–93	7	„
III. Budget Estimate of 1893–94	19	10
IV. Present Position and Future Policy	28	14

PART II.

IMPERIAL, PROVINCIAL, AND LOCAL REVENUE AND EXPENDITURE.

I. Accounts of 1891–92	38	19
II. Revised Estimate of 1892-93	45	20
III. Budget Estimate of 1893–94	57	25
IV. Examination of the Estimates under the more Important Heads of Revenue and Expenditure—		
Land Revenue	67	28
Opium	68	29
Salt	69	30
Stamps	70	„
Excise	71	31
Customs	72	32
Assessed Taxes	73	„
Forest	74	„
Interest	75	33
Post Office	77	34
Telegraph	78	35
Mint	79	„
Civil Departments	80	36
Miscellaneous Civil Charges	81	„
Famine Relief and Insurance	82	37
Railways	83	38
Irrigation	84	40
Buildings and Roads	85	41
Army	86	43
Special Defence Works	87	„
Upper Burma	88	44

	PARA.	PAGE.
V. Expenditure not charged to Revenue - - - - - - -	89	45
VI. Ways and Means—Home Treasury - - - - - - -	91	47
„ „ India - - - - - - - - - -	94	50
VII. Summary - - - - - - - - - - - - -	103	52

APPENDIX

ACCOUNTS AND ESTIMATES:

	PAGE.
General Statement of the Accounts and Estimates of the Revenue and Expenditure and Receipts and Disbursements of the Government of India, in India and in England - - - - - - - - - -	56
A.—Statement of the Revenue of India, in India and in England - -	58
B.—Statement of the Expenditure chargeable on the Revenues of India, in India and in England - - - - - - - - - - -	60
C.—Statement of Receipts and Disbursements of the Government of India, in India and in England - - - - - - - - - - -	64
D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Contracts - - - - - - - - - - - - -	66
E.—Statement of Net Revenue and Expenditure—India and England -	68

Discussion on the Financial Statement - - - - - - - - - 87

COPY OF THE EAST INDIAN FINANCIAL STATEMENT FOR 1893–94.

FINANCIAL STATEMENT FOR 1893–94.

PART I.

IMPERIAL REVENUE AND EXPENDITURE.

PRELIMINARY.

IN accordance with the Rules made under the Indian Councils Act of 1892 the annual Financial Statement must be explained in the Legislative Council of the Government of India, and may be discussed by the Members of that Council, each of whom is entitled to receive a printed copy of the Statement.

A printed copy of the Financial Statement has been supplied to each Member of the Council, and I shall now proceed to explain the general financial position of the Government of India; such discussion of the Financial Statement as may be considered necessary can take place subsequently.

2. In the explanation which I propose to lay before this Council I shall confine myself almost entirely to Imperial Revenue and Imperial Expenditure, and I shall neither take up matters of minor importance, nor attempt to deal with Provincial and Local Finance, my special object at the present moment being to convey to the Council and to the public a correct outline of the general financial position of the Government of India; those who wish for further and fuller information will find it in the body of the Financial Statement

3. I shall deal, as is usual, with the transactions of the Government of India under the three following heads:—

(1.) The accounts of the financial year 1891–92, which have been finally closed;

(2.) The Revised Estimate of the financial year 1892–93, which ends on the 31st instant;

(3.) The Budget Estimate of the coming year—1893–94.

The explanation I am about to give is printed as Part I of the Financial Statement, and where Revenue or Expenditure is mentioned it should be understood that Imperial Revenue or Imperial Expenditure is meant, unless the contrary is stated in the context.

4. The financial position of the Government of India, at the present moment, is such as to give cause for apprehension, and I shall be obliged, in the explanation I am about to lay before this Council, to go back a short way into the history of the past, in order to bring out more clearly the nature of the difficulties with which we have to contend and the causes to which they owe their existence. It will not be necessary for this purpose to go back further than March 1891, the month in which the Budget Estimates of the financial year 1891–92 were issued. This is the latest year of which the Accounts have been finally closed.

SECTION I.—ACCOUNTS OF 1891-92.

5. When the Budget Estimates for the year 1891-92 were being framed, just two years ago, the rate of exchange was taken at what would now seem the excessive figure of 1*s.* 5¼*d.* the rupee; the surplus shown in the Estimates was Rx. 115,600, and practical equilibrium between Revenue and Expenditure was secured.

It was explained in the Financial Statement issued in March last that from a financial point of view the unfavourable incidents of the year 1891–92 were: (1) a fall in the average rate of exchange of the year to 1*s.* 4·713*d.*, involving an increase of the net Expenditure under Exchange by Rx. 782,200, (2) a considerable increase in Military Expenditure, chiefly on account of expeditions, and (3) a falling off in Land Revenue owing to scarcity; on the other, or favourable, side of the account there was (1) a very large increase of Railway Revenue, (2) a substantial increase of net Opium Revenue, and (3) a satisfactory growth of Ordinary Revenue other than Land Revenue.

It appeared at that time, March 1892, that the changes for the worse which had occurred during the year 1891–92 would slightly outweigh the changes for the better, and Expenditure was shown in the Revised Estimates of 1891–92 as being somewhat in excess of Revenue; at the same time it was anticipated that some improvement might occur at the last moment, and that the Accounts of the year when finally closed would show a surplus. This hope has been realised, and the Accounts of 1891–92 have closed with a surplus of Rx. 467,000—a not unsatisfactory result, even though the larger part of that surplus is due to a payment which it was expected would be made to the War Office in 1891–92 having been postponed to 1892–93; the provision made on this account in the Revised Estimates of 1891–92 was 240,000*l.* The amount actually paid in 1892–93 was 208,000*l.* and the finances of the year 1891–92 have been relieved at the expense of those of the current year.

6. With 1891–92 the era of surpluses, I regret to say, comes to an end. During the four years from 1884–85 to 1887–88 there was an aggregate deficit of Rx. 5,039,000. In 1888-89 there was a surplus of Rx. 37,000, in 1889–90 of Rx. 2,612,000, in 1890–91 of Rx. 3,688,000, in 1891–92 of Rx. 467,000, the aggregate surplus of the four years being Rx. 6,804,000. The Revised Estimates of the year which is now drawing to a close, and the Budget Estimates of the year on which we are about to enter, show deficits of considerable magnitude.

SECTION II.—REVISED ESTIMATE OF 1892-93.

7. I now come to the Revised Estimates of 1892-93, the year which is just about to close, and I shall in the first place call attention to the conditions under which these Estimates of 1892–93 were originally framed. The fall in the rate of exchange during the year 1891–92 has been so great that in the Financial Statement for 1892-93 some difficulty was experienced in securing equilibrium between Revenue and Expenditure. The fall in the rate of exchange, from 1*s.* 5¼*d.*, the figure taken for the Budget Estimates of 1891-92, to 1*s.* 4*d.*, the highest rate which it was considered safe to take for 1892–93, caused the charge for Exchange to increase by no less than Rx. 1,708,000. We were able to cover this heavy loss and to secure a small surplus of Rx. 146,600 in the Budget Estimates of 1892–93, but it was only a concurrence of fortunate incidents that enabled us to do so. These fortunate incidents were (1) the receipt of contributions to the extent of Rx. 466,000 from Local Governments on revision of the Provincial Contracts, (2) the anticipated growth of general Revenue under the Principal Heads (excluding Opium) to the extent of Rx. 625,000, (3) the anticipated growth of Railway Revenue to the extent of Rx. 606,000 in India, less increased expenditure in England of 51,800*l.*, and (4) a substantial improvement under Interest in India owing to our having been able to avoid borrowing for some years, and to our having increased the Paper Currency investment by one crore of rupees.

8. The rate of exchange taken in the Budget Estimates of the current year —namely, 1*s.* 4*d.* the rupee—has not been realised. The actual rate of exchange at the present time is unsettled, and at this moment is below 1*s.* 2·5*d.*,

1*s.* 2·5*d.*, and the average rate for the year is slightly below 1*s.* 3*d.*; the net charge for Exchange has increased by Rx. 1,936,600, of which Rx. 1,635,300 is due to the fall in the rate of exchange, and the remainder to increase of sterling Expenditure. Nor is this fall in Exchange the only untoward event which has affected the figures of the year 1892-93; there is also an increase of the net sterling Expenditure in England, amounting to 602,600*l.*, and involving, with Exchange at the Budget rate of 1*s.* 4*d.*, an increased burden of Rx. 903,900, and there is an increase in the Expenditure under Army Services in India to the extent of Rx. 515,500.

9. The three great causes of increased Expenditure during the year 1892–93 have been (1) the fall in the rate of exchange, which caused an increase of Rx. 1,635,300; (2) increased sterling Expenditure, involving a burden of Rx. 903,900; and (3) increased Expenditure on the Army in India to the extent of Rx. 515,500; making a total of Rx. 3,054,700. As the surplus shown in the Budget Estimates was only Rx. 146,600, and the three causes I have just mentioned increased the Expenditure by Rx. 3,054,700, it will probably be a surprise to most people to learn that the deficit shown in the Revised Estimates is only Rx. 1,081,900, a figure which will no doubt be still further reduced when the Accounts of the year are finally closed. The Budget Estimates show a surplus of Rx. 146,600, and the Revised Estimates show a deficit of Rx. 1,081,900; there has, therefore, been during the year a falling off or deterioration on the whole account of Rx. 1,228,500, being the amount of surplus shown in the Budget Estimates *plus* the amount of deficit shown in the Revised Estimates. The three great causes which I have already mentioned having been sufficient to cause a falling off to the extent of Rx. 3,054,700, and the actual falling off, everything included, being only Rx. 1,228,500, it follows there must have been an improvement in other directions of Rx. 1,826,200, being Rx. 3,054,700 *minus* Rx. 1,228,500. I shall explain a little later in what way this improvement of Rx. 1,826,200 was obtained, but in the first instance it will be convenient to state the causes of the increase in sterling Expenditure and of the increase in Expenditure on the Army in India.

10. The chief increases in sterling Expenditure in England are 427,800*l.* under Army Services, 123,400*l.* under Marine, 81,900*l.* under Superannuation Allowances and Pensions, and 37,600*l.* under Interest.

The increased Expenditure under Army was caused by the payment of an arrear charge of 208,000*l.* to the War Office in 1892-93 instead of in 1891-92 as originally intended, and by the adoption of a rule for the payment of furlough allowances and retired pay in arrears at the end of each month instead of in arrears at the end of each quarter. Such a change must, from the nature of the case, add to the total charge in the first year, because the allowances are paid sooner than would otherwise be the case, and the amount due at the end of the year is reduced. The same cause accounts for the increase of 81,900*l.* in civil Superannuation Allowances and Pensions. The increase in the Marine charge is due to payments on account of the construction of ships and a dredger, which were not provided for in the Budget Estimates.

The increase of 37,600*l.* under Interest is due to discount on a sterling loan of 1,300,000*l.* raised during the year for advances to Railway Companies and discharge of Railway Debentures.

11. The increased Expenditure of Rx. 515,500 on Army Services in India is due to the following causes:—

	Rx.
Suppression of disturbances in the Lushai Country	60,000
Isazai Field Force	50,000
Gilgit Agency	9,000
Kajuri Kach Force	100,000
Kurram Escort	45,000
Transport charges for supply of Gilgit Agency	78,400
Arrear charges connected with the Manipur Expedition	7,600
Rise in price of food and forage and increase in the number of transport animals to be fed (about)	150,000
TOTAL	Rx. 500,000

There were also other increases of charge of minor importance and some decreases of no great magnitude which need not be separately specified.

12. I come now to the explanation of the fact that, with an increase of sterling Expenditure involving at the Exchange of 1*s.* 4*d.* a burden on the finances of Rx. 903,900, with an increase in Army Expenditure in India amounting to Rx. 515,500, and with an increase of Rx. 1,635,300 on account of the fall in the rate of exchange, giving in all a deterioration of Rx. 3,054,700, the deficit is only Rx. 1,081,900. In making this explanation it will be most convenient to deal separately with the Opium Revenue, deducting Opium Expenditure from Opium Revenue so as to get the figure of net Revenue. It is at first sight not a little remarkable that an unfavourable Opium crop should, for the present, have had the effect of materially increasing the Revenue and at the same time largely reducing the Expenditure, the total gain in net Opium Revenue in India as compared with the figures of the Budget Estimates being no less than Rx. 971,900.

In the first place I may mention that the poppy cultivation failed to a large extent in the cold weather of 1892, so that the sums paid to the cultivators, which sums fall into the accounts of the current year, were greatly reduced in amount, and the total Expenditure in India under Opium in 1892-93 proved to be Rx. 1,593,900, as compared with the Budget provision of Rx. 2,233,900, the saving being Rx. 640,000.

The knowledge that the crop of Opium was a poor one immediately affected the market, and a rise took place in the price of Bengal Opium. In making our Budget calculations we had estimated the price of Bengal Opium at R. 1,050 a chest, while the average price actually obtained has proved to be R. 1,247. If we could have continued our sales throughout the financial year at the figures of the earlier months, the gain from the increased price of Bengal Opium would have been Rx. 1,065,200. As the reserve stock of Opium was running down, this could not be done, and the quantity of Bengal Opium to be sold monthly was reduced from 4,500 chests to 3,642 chests with effect from 1st October 1892. The exports of Malwa Opium also proved smaller than the Estimate, and than had been the case for many years. Consequently the gross Revenue from Opium exceeds the figure of the Budget Estimates by only Rx. 331,900. As the gross Revenue from Opium increased by Rx. 331,900, and the Expenditure was reduced by Rx. 640,000, the increase in the net Revenue is Rx. 971,900.

13. In addition to the great improvement in net Revenue from Opium, which I have just explained, and which, I must admit, is accidental, temporary, and, from a financial point of view, far from satisfactory, there has been a general increase of Revenue under almost every head in the Estimates.

The total gross Revenue in India shown in the Budget Estimates of 1892-93 was Rx. 65,399,500; the amount shown in the Revised Estimates which are now published is Rx. 66,423,300, being an increase of Rx. 1,023,800. Of this increase I have already taken into account the increase of Rx. 331,900 in Revenue from Opium; excluding the temporary and accidental increase in Opium Revenue, there has been, therefore, during the year an improvement in Revenue of Rx. 691,900.

There is nothing which has so beneficial an influence on the growth of the general Revenue as timely and plentiful rains and good harvests, and, as India has been on the whole somewhat unfortunate in these respects during the last few years, the increase of Revenue which I have just stated is specially satisfactory, inasmuch as it shows that, although the progress of the country may have been impeded by the occurrence of unfavourable seasons, it has not been stopped or even seriously checked. Nevertheless, the growth of Revenue during the year appears to show traces of the influence of unfavourable seasons. There is not a very remarkable increase of Revenue in any direction, and the satisfactory aggregate increase which has been secured is due to moderate increases under almost all heads, and indicates steady and general improvement rather than unusual expansion.

14. The only decreases of Revenue of any importance are Rx. 120,700 under XXIV Exchange, Rx. 76,000 under Customs, and Rx. 34,800 under Interest.

The

The amount of Revenue shown under XXIV. Exchange depends on the average market rate of Exchange during the year, on the rates fixed by contract with the railway companies for regulating certain transactions between them and the Government, on the nature and extent of these transactions during the year, on the extent of remittances during the year, and on the rate of Exchange fixed yearly for the settlement of accounts between the Indian and the Home Government. Increases or decreases of Revenue under such a head are, of course, no indication of the general progress or prosperity of the country. The falling off under Interest is due to the fact that the railway companies did not overdraw their capital to the extent anticipated, and an increase or decrease of Revenue from interest on advances to railway companies has not any bearing on the question of the growth of ordinary Revenue. The falling off in Customs Revenue is due to reduced exports of rice from Burma.

The principal increases of Revenue are the following:—

Head of Account.	Rx.
State Railways	143,600
Land Revenue	117,800
Salt	104,900
Mint	99,400
Excise	79,800
Irrigation, Major Works, including Land Revenue due to Irrigation	69,900
Stamps	60,200
Army receipts	51,100
TOTAL	Rx. 726,700

15. As the increase in net Opium Revenue is Rx. 971,900, and the increase of Revenue under other heads is Rx. 691,900, we get a total improvement in Revenue of Rx. 1,663,800. This, it will be recollected, is the increase in Imperial Revenue, and does not take into account Provincial and Local Revenue, the amount of which has no bearing on the surplus or deficit of the year. I may, however, mention that the increase of Provincial and Local Revenue during the year is Rx. 592,500.

16. The growth of Revenue during the current year has, as I have just shown, been satisfactory, and it is hardly less satisfactory that the public Expenditure in India during the same period has, with only a single exception of importance, been kept well within the Budget Estimates. The Budget Estimate of this Expenditure for the current year was Rx. 41,628,500, and the corresponding figure of the Revised Estimate is Rx. 41,341,600, a reduction in the aggregate Expenditure of Rx. 286,900. If we eliminate from the account the decrease in Opium Expenditure of Rx. 640,000, which must be admitted to be accidental and temporary, and with which I have separately dealt, it will be seen that the increase of Expenditure under all other heads has been Rx. 353,100, an increase which is more than accounted for by the increased Expenditure of Rx. 515,500 on Army Services which I have already explained.

The Expenditure under all heads other than Opium and Army Services is very closely in accord with the Budget Estimates, both in aggregate amount and in details, and need not be further examined. It will suffice to mention that, excluding Expenditure under Opium and Army Services, there is a small saving of Rx. 162,400, an amount slightly less than the saving which occurs under the Railway Revenue Account.

17. The explanations already given, and which I fear may have proved somewhat tedious, place me in a position to sum up in a few words the financial results of the year 1892–93.

In the first place we have had a net increase of sterling Expenditure amounting to 602,600*l.*, which (taking exchange at the Budget rate of 1*s.* 4*d.*) involves an increased charge of Rx. 903,900. In the next place we have had increased Expenditure on the Army in India amounting to Rx. 515,500; and lastly, and most important of all, there has been a fall in the rate of exchange from 1*s.* 4*d.* to 1*s.* 3*d.*, involving a net increase of the charge in the columns headed Exchange of no less than Rx. 1,635,300; the total falling off during the year from these three causes being Rx. 3,054,700. To balance this great

and disastrous falling off, we have in the first place the temporary and accidental increase in net Opium Revenue in India of Rx. 971,900; in the next place we have a satisfactory growth of Revenue under other heads of Rx. 691,900, and we have a slight saving of Expenditure (excluding Army Services and Opium) which amounts to Rx. 162,400. The total improvement is Rx. 1,826,200.

Our losses exceed our gains by Rx. 1,228,500, and the Budget surplus of Rx. 146,600 is converted into a deficit on the Revised Estimates of Rx. 1,081,900.

18. The Final Accounts of each financial year usually, and I may say invariably, show improvement over the Revised Estimates, and I fully anticipate that in March 1894 my successor will be able to announce that the actual deficit of the year 1892-93 is below the figure at which it is now placed.

However satisfactory this result may appear at first sight, and under all the circumstances of the case, a closer examination of the figures affords ground for apprehension.

The temporary and accidental gain in net Revenue from Opium will disappear in 1893-94, and the influence of short crops in past years will still further reduce the income from Opium. On the other hand, the loss due to the fall in the rate of exchange will remain, and will increase, because there is at the present time no prospect that the rate of exchange will be as high in 1893 94 as it has been in 1892 93, and the fall will not merely add largely and directly to the burden of Indian Expenditure, but will materially increase the cost to be incurred on account of the British troops serving in India, whose pay is fixed in sterling. On the other hand, we may expect to retain a large proportion of the increase of ordinary Revenue which we obtained in 1892-93, and the causes by which the sterling Expenditure was swollen in the current year will no longer operate.

The prospective loss exceeds the amount of gain on which we can reckon, and we may say at once, and without waiting to examine the Budget Estimates of 1893 94, that the deficit of the year 1893-94 must exceed that of 1892-93 by a considerable amount.

Section III.—Budget Estimate of 1893-94.

19. In the Estimates of the coming year the total Imperial Revenue in India and England amounts to Rx. 66,648,800, and the total Imperial Expenditure to Rx. 68,243,900, and the deficit is Rx. 1,595,100.

The announcement of a large deficit, will not, I believe, come as a surprise to those who have paid any attention to financial matters during the past year, or who have taken their opinions on the subject from the public press. I shall now explain the exact influence exercised upon the financial position of the Government of India by the various causes which have come into operation during the last twelve months, and which have resulted in transforming the small surplus of the Financial Statement of 1892-93 into a deficit for the coming year which exceeds one and a half crores of rupees. The immediate and principal cause, as everyone knows, is the fall in the rate of exchange, but there are other causes of less importance which also require notice.

20. In the explanation I am about to make I shall take as my starting point the Budget Estimates of 1892 93, which showed a surplus of Rx. 146,600, and shall trace the various changes, favourable and unfavourable, which in the course of twelve months have brought us face to face with a deficit of Rx. 1,595,100. For the purposes of this explanation it will be convenient to again call attention in this place to the leading features of the position as it presented itself in March 1892.

In the Financial Statement for 1892-93 it was stated that the fall in the rate of exchange from 1*s.* 5¼*d.* to 1*s.* 4*d.* had imposed on the finances of India an additional burden to the extent of Rx. 1,708,000, being the increase of Exchange on the net sterling Expenditure, in addition to an increase of Rx. 205,000 in the pay of the British Troops; and it was explained that this increase of charge had been met (1) by contributions from Local Governments, (2) by anticipated increase of Railway Revenue, (3) by growth of Revenue under the Principal Heads, and (4) by some improvement under Interest owing to our having been

able

able to avoid borrowing for some years, and to our having invested in Government securities a larger amount of the Paper Currency Reserve. The additional burden thrown on the finances in March 1892 was a very heavy one, and it was only a combination of favourable circumstances that enabled us to meet it for the time. The further and additional burden thrown on the finances at the present time is even greater than that of a year ago, and another combination of equally favourable circumstances does not recur.

21. In the Estimates of the coming year the rate of exchange has been taken at 1*s.* 2$\frac{3}{4}$*d.*, the approximate market rate of the date on which the Estimates were first compiled. The market rate of the present moment is considerably below 1*s.* 2$\frac{1}{4}$*d.*, but the recent fall appears to be due to a considerable extent to misapprehension and panic. In any case it is quite impossible for us to recast our Estimates from day to day, in the vain hope of being able to follow the fluctuations in Exchange. It will suffice to say that a drop in Exchange from 1*s.* 2$\frac{3}{4}$*d.* to 1*s.* 2$\frac{1}{4}$*d.* would add Rx. 439,000 to the Expenditure. The rate of 1*s.* 2$\frac{3}{4}$*d.* taken in the Estimates, though in excess of the market rate of to-day, is five farthings lower than the rate taken in the Budget of 1892-93, and the additional Expenditure, direct and indirect, for which we have to provide in consequence of this fall in the rate of exchange comes to no less than Rx. 2,229,400.

The net sterling Expenditure in the Estimates of the coming year is 15,650,300*l.*, and the charge for Exchange at 1*s.* 2$\frac{3}{4}$*d.* the rupee is Rx. 9,814,600; if we could have taken Exchange at the rate adopted in the Budget Estimate of 1892-93, namely, 1*s.* 4*d.*, the net charge for Exchange would have been only Rx. 7,825,200, and consequently the fall in the rate of exchange between March 1892 and March 1893 has added directly to the Expenditure of the Government of India the difference between these amounts, or the sum of Rx. 1,989,400.

The pay of the British Troops serving in India, or in any other part of Her Majesty's dominions, is fixed in sterling, and must be converted into the currency of the country in which they are serving at a rate fixed annually, and intended to approximate to the average market rate of the year. The fall in the rate of exchange to 1*s.* 2$\frac{3}{4}$*d.* has added on this account a further sum of Rx. 240,000 to the Indian Expenditure, causing the total additional charge, direct and indirect, on account of Exchange to amount to Rx. 2,229,400.

The estimated surplus of 1892-93 was Rx. 146,600, and the estimated deficit of the coming year is Rx. 1,595,100, showing a total deterioration in the year of Rx. 1,741,700; as this sum is less by Rx. 487,700 than the falling off due to the fall in Exchange alone, it will be obvious that, but for the fall in exchange below last year's Budget rate of 1*s.* 4*d.*, the Estimates of 1893-94 would have shown an improvement over those of 1892-93 amounting to Rx. 487,700, and I should now have been in a position to announce a surplus of Rx. 634,300 instead of a deficit of Rx. 1,595,100. An increase of Rx. 1,913,000 (Rx. 1,708,000 plus Rx. 205,000) in the burden on account of exchange, followed in twelve months by a further increase of Rx. 2,229,400 on the same account, the total increase amounting to over four crores of rupees, has imposed a strain on the Indian Finances which they are at present unable to bear.

22. I shall now explain in what manner the improvement of Rx. 487,700, to which I have just alluded, has been obtained.

In the first place I may mention that the estimated net sterling Expenditure of 1893-94 is less than that of 1892-93 by 99,300*l.*, giving, at an exchange of 1*s.* 4*d.*, a reduction of charge to the extent of Rx. 148,900. The details of this reduction will be found in the body of the Financial Statement, and I shall not further notice the question of sterling Expenditure in the present place. There remain for examination the Estimates of Revenue and Expenditure shown in the Indian portion of the Accounts.

In examining the Estimates of Revenue and Expenditure for 1893 94 I shall deal with net Receipts in the case of Opium and Railways; in other words, I shall deduct the Expenditure from the Receipts, and employ net figures. I adopt this course in consideration of the fact that in both cases the Expenditure is so closely connected with the Receipts, and constitutes so large a deduction therefrom, that to treat the total gross receipts as Revenue would be misleading. I do not consider it necessary for my present purpose to treat any other head of Revenue in a similar manner.

In the net Revenue from Opium the Estimates of 1893-94 as compared with the Budget Estimates of 1892-93 show a falling off of Rx. 338,400; this is partly due to reduced exports of Malwa Opium. There has also been a large reduction in the quantity of Bengal Opium to be sold, and, though the falling off from this cause will be partly covered by the anticipated increase in the selling price, the reduction in Revenue from the sales of Bengal Opium alone is Rx. 207,000.

Under the Railway Revenue Account the net Receipts in India have increased from Rx. 6,678,300 to Rx. 6,899,400, or by Rx. 221,100.

23. Putting aside for the time the Revenue from Opium and the Railway Receipts, with which I deal separately, the total increase of Revenue in the Estimates of the coming year, as compared with the Budget Estimates of 1892-93, is Rx. 647,700. This satisfactory increase is spread over nearly all heads. The only large item of increase is Rx. 313,500 under Land Revenue, and there are decreases under a few heads.

The increase shown under Excise is only Rx. 36,500; and it may be well that I should explain that the increase of Imperial Revenue under this head would have been Rx. 104,000, had it not been decided recently to assimilate the Opium Law of lower Burma to that of Upper Burma, or, in other words, to prohibit the consumption and possession of opium by natives of Lower Burma. This change involves a reduction of the Excise Revenue in 1893-94 by Rx. 67,500, and of the Opium Revenue by Rx. 22,500. The further loss which falls on the Provincial Revenues is Rx. 22,500. The loss of Revenue will be somewhat greater in subsequent years, as the proposed change is not expected to come into effect until three months of the next financial year have elapsed, and the reduction of Revenue will, therefore, affect only nine months of the year 1893-94.

24. Turning to the expenditure side of the account, I have to observe that, excluding Opium Expenditure and the Expenditure of the Railway Revenue Account, the total increase of Expenditure in India in the coming year is estimated at Rx. 431,600.

In explaining the causes of this increase of expenditure, it will be convenient to state the increase or decrease under each Group of Heads ordinarily shown in the Indian Accounts. The following are the increases of expenditure under each Group:—

	Increase. Rx.
Army Services	686,800
Post Office, Telegraph, and Mint	48,800
Grant for Famine Relief and Insurance	42,600
Buildings and Roads	40,300
Direct Demands on the Revenue (excluding Opium)	13,400
Salaries and Expenditure of Civil Departments	10,800
Total	842,700

The increase under Post Office, Telegraph, and Mint, calls for no special remarks. It is due to the development of the Departments concerned, and is accompanied by a more than proportionate increase of Receipts. That under Buildings and Roads occurs in Military Works Expenditure: the grant for 1892-93 was below the normal amount. The increase under the Famine Grant is merely a matter of account.

The small increases of Rx. 13,400 and Rx. 10,800 do not require special notice, but the increase of Rx. 686,800 under Army Services is of more importance. Of this sum, Rx. 240,000 is due to the increase in the pay stated in rupees of British Troops serving in India, and is caused by the fall in the rate of exchange. This portion of the increase has already been taken into account in dealing with the question of Exchange, and may be excluded from the present calculation.

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The following are the principal causes of the balance of the increase in Expenditure on Army Services (Rx. 446,800) :—

	Rx.
Provision for the Kajuri Kach Force, the Kurram Escort, and Arrear charges of the Chin and Lushai Expeditions	174,000
Increased Expenditure on Ordnance establishment and stores	88,200
Rise in the price of food and forage, and increase in the number of transport animals to be fed	70,000
Transport and supply arrangements for Gilgit	30,000
Increased cost of clothing for British Troops	27,100
Total	389,300

25. The decreases in Expenditure during the coming year, 1893-94, are as follows :—

	Decreases. Rx.
Interest	233,200
Construction of Railways	118,300
Special Defences	18,600
Miscellaneous Civil Charges	32,400
Irrigation	8,600
Total	411,100

Of the items of decrease, the only one that requires special explanation is that under Interest. Speaking generally, this decrease may be said to be due to the transfer of Rx. 10,792,490 of the 4½ per cent. Loan during the current year to a 4 per cent. loan, thus effecting a saving of Rx. 54,000, and to the continuance of the practice of applying the surpluses of past years to the construction of railways and canals, and thus obviating the need for borrowing. On the other hand, there is an increase of the interest charge on increased deposits in Government Savings Banks. The reduction under Construction of Railways is due to the fact that we have no surplus Revenue to devote to such a purpose.

26. The final result at which we arrive is that, if we exclude the indirect increase of Expenditure in India, caused by the fall in the rate of exchange, and leave out of account Opium Expenditure and the Expenditure in the Railway Revenue Account (for both of which a net figure has been taken), there has been an increase of Expenditure under certain heads in the Estimates of 1893-94, as compared with those of 1892-93, of Rx. 602,700, of which Rx. 446,800 is due to higher Expenditure under Army in India, and that there is a decrease under all other heads of Rx. 411,100.

27. I am now in a position to summarise in a few words the causes that have brought about a deficit of Rx. 1,595,100 in the Estimates of 1893-94, as compared with the surplus of Rx. 146,600 shown in the Financial Statement for 1892-93. In the first place, the fall in the rate of exchange has caused increased Expenditure to the amount of Rx. 2,229,400; in the second place, net Opium Revenue is worse by Rx. 338,400; and in the third place, the cost of Army Services in India (excluding pay of British troops) is greater by Rx. 446,800. The total deterioration from the three causes I have mentioned is Rx. 3,014,600. There is on the other side of the account an improvement in ordinary Revenue in India to the extent of Rx. 647,700, an improvement of Rx. 221,100 in net Railway receipts in India, a reduction in the net sterling charge which reduces Expenditure by Rx. 148,900, and a reduction in Indian Expenditure (excluding Opium, the Railway Revenue Account, and Army Services) of Rx. 255,200. The total improvement is Rx. 1,272,900; and, deducting this amount from the total deterioration of Rx. 3,014,600, we get a net falling-off of Rx. 1,741,700, which is just sufficient to account for the surplus of Rx. 146,600 shown in the Budget Estimates of 1892-93 being converted into a deficit of Rx. 1,595,100 in the Estimates of 1893-94.

The figures may be stated in the following manner :—

Deterioration.		Improvement.	
	Rx.		*Rx.*
Exchange - - - - -	2,229,400	Increase in Ordinary Revenue in India - - - - -	647,700
Reduction in *net* Opium Revenue	338,400	Reduction in *net* sterling Expenditure - - - - -	148,900
Increased cost of Army in India, excluding increase in pay of British Troops due to fall in exchange - - - -	446,800	Reduction in India Expenditure, excluding Opium, Railway Revenue Account, and Army Services - - - -	255,200
		Improvement in *net* Railway Receipts - - - - -	221,100
TOTAL - - - £.	3,014,600	TOTAL - - - £.	1,272,900

SECTION IV.—PRESENT POSITION AND FUTURE POLICY.

28. The Revised Estimates of the current year show a deficit of Rx. 1,081,900; the Budget Estimates of the coming year show a deficit of Rx. 1,595,100. The prospects of the future are disheartening, because, although the ordinary Indian Revenue grows rapidly, the fluctuations in Exchange are such as to set all calculation at defiance. The increase in Expenditure during the last two years, caused by the fall in the rate of exchange, amounts to Rx. 4,142,400, and the increase of Expenditure due to this cause has not yet come to an end. The heavy fall in the rate of exchange has most seriously affected the position of Government servants not domiciled in India; their case cannot be put on one side much longer, and, as matters now stand, no remedy is possible which does not involve further increase of Expenditure.

We have, also, to take into consideration the possibility of the United States stopping their purchases of silver; the effect of which on the rate of exchange must be serious and might be disastrous. It has been found necessary to take net Opium Revenue for the coming year at a lower figure than has appeared in the Estimates during the last 22 years.

29. Under the circumstances stated in the preceding paragraph, the natural and ordinary course would be for the Government of India to at once take such measures as would suffice to cure the existing deficit and establish equilibrium between Revenue and Expenditure. Financial embarrassment gathers weight and force the further it proceeds, and it is the obvious duty of every Government to allow no avoidable delay to occur in dealing with a declared deficit. Postponement of action cannot be justified except on grounds of irresistible weight.

30. It will be found on examination of the existing position that there are insuperable objections to any attempt to deal with the anticipated deficit of 1893-94 at the present moment. The immediate cause of our financial difficulties, and the cause which, by comparison and for the time being, dwarfs all others, is the fall in the gold value of silver, which, as I have already shown, has added to the Indian Expenditure in two years more than four crores of rupees. If that fall could be stayed and the rate of exchange with England fixed permanently at even its present low figure, the difficulty of dealing with the present deficit would be comparatively light. The Revenue continues to grow in a satisfactory manner; even under the influence of indifferent seasons and poor harvests it has made fair progress. If we could feel assured that there would be no further fall in exchange, I have little doubt that increase of Revenue, restriction and reduction of Expenditure, with possibly some taxation of a temporary nature, would, in a very short time, re-establish equilibrium. A serious effort would no doubt be required in the first instance, but with a fixed rate of exchange we would have a definite task before us, and our measures

could be regulated accordingly. But it unfortunately happens that, unless some settlement of the currency question is obtained, there is no prospect of even the most moderate degree of stability in the rate of exchange. The disastrous and unprecedented fall in the gold value of silver which has been experienced during the last few years has destroyed confidence, and we know that the question of stopping their purchases of silver is being seriously agitated in the United States of America. The exact consequences of such stoppage it is impossible to foretell, but the conclusion I have come to is that the consequences would, at any rate for a time, be disastrous to the Indian Exchequer, and that the Government of India would in such case be involved in pecuniary difficulties of greater magnitude, and more lasting in their effects, than any which have hitherto been experienced in this country.

The imports of silver into India during the current year and the two preceding years have been of great magnitude. In the year 1890-91 the net imports of silver were Rx. 14,175,136, in 1891-92 they were Rx. 9,022,184, and in 1892-93 they promise to amount to Rx. 13,000,000. If the United States ceased to purchase silver, the best calculation I have been able to make shows that India would have to absorb about Rx. 8,000,000 worth of silver yearly, in addition to what she imports already, and it is impossible to contemplate such a contingency without grave apprehension.

The consequences of a forced and sudden addition to the yearly imports of silver into India of Rx. 8,000,000 in a single year, would, in the first instance, at any rate, be overwhelming, and I should expect that the Eastern Exchanges would be for the time completely disorganised. The fall in the gold value of silver would be so great that the production of silver might be curtailed, but we cannot be certain that this result would follow, or to what extent it would follow, and, as mines that are in full working could not, and would not, be stopped immediately, the process of reduction would take time. If such reduction of output did take place, it would be due to the fall in the price of silver, and would not last longer than the fall in price lasted; every rise in price would be followed by increased activity at the mines, and would tend to restore production to its old figure. In short, the stoppage of the purchases of silver by the United States must result in a great fall in the price of that metal, and, though a portion of the first fall might be recovered, it cannot reasonably be expected that, under such circumstances even the present price of silver would be restored; confidence in the future would be still further weakened, and fluctuations in exchange, of excessive amount and most injurious in their consequences, would be inevitable.

31. I have now shown what we must expect if there is no settlement of the currency question, and if the United States stop their purchases of silver. The prospect of a settlement of the currency question lies on the other side of the shield. A settlement of this question would prevent any further fall in exchange, and would be likely to bring about, at the very least, some slight rise.

It is no violent hypothesis to assume that a settlement of the currency question might raise the rate of exchange by one penny, and so great is the influence of exchange on our finances that a rise of even this small amount would give us equilibrium between Revenue and Expenditure in the coming year, and cause our present financial difficulties to disappear.

In other words, our financial position for the coming year is at the mercy of Exchange and of those who have it in their power to affect in any way the price of silver. If we budget for the present deficit of Rx. 1,595,100 and exchange rises one penny we shall have a surplus; if it falls a penny we shall have a deficit of more than three crores; if we impose taxation to the extent of one and a half crores of rupees, a turn of the wheel may require us to impose further taxation of not less magnitude; another turn and we may find that no taxation at all was required. It will be obvious from what I have just said that what we have got to consider in making our arrangements for next year, is not so much the question of increasing the public Revenue, or restricting that portion of the public Expenditure which is under our control, but the chances of a settlement of the currency question.

32. I regret that I am unable to give any more definite information regarding the prospects of a settlement of this question than the public at present possess.

We know that the question excites the greatest interest in the United States; and we know that, even if the people of that country were willing to let it sleep, the inexorable logic of events will force them before long to take a fresh departure either in one direction or in the other.

The International Monetary Conference which recently assembled at Brussels separated without arriving at any definite conclusions, but it is proposed that it should reassemble in May. We do not know whether that proposal will be carried out or not, but in the meantime the currency question as it affects India is being considered by a Committee of experts in London under the presidency of the Lord High Chancellor of England.

The proceedings of that Committee are secret, and the Government of India have no information as to what the nature of its Report will be, or as to whether the Committee will agree upon a unanimous Report or not. But we know, as do the public, that the Report of the Committee will be made very shortly, and the Government of India have been informed by Her Majesty's Secretary of State for India that the decision on the Indian currency question cannot be delayed much longer. Under these circumstances the Government of India have decided—and the soundness of the decision does not appear to me to admit of dispute—that the proper course is to await the decision of the Home authorities on this question, before adopting measures, which must necessarily be of a stringent and exceptional nature, with the object of re-establishing equilibrium between Revenue and Expenditure. The immediate restoration of equilibrium would require the imposition of heavy taxation or a large reduction of Expenditure; and yet neither this taxation nor reduction of Expenditure, or even a combination of both means, would be final, or anything better than a temporary makeshift, if the currency question is not settled; measures that might suffice to meet the existing deficit would, in my opinion, be wholly inadequate if the United States ceased to purchase silver. I submit that the Government of India cannot be expected to initiate a policy at the present moment, which must have very serious effects on the industry of the country, and disturb and unsettle the Administration, when the lapse of only a month or two might, and in all probability will, show either that their policy was mistaken and their measures uncalled for, or that that policy is wholly insufficient to meet the requirements of the case, and that their treatment of the disease had irritated the patient without materially advancing his progress towards health.

Disappointing as this decision may appear to some persons, and strongly as I am opposed to delay in dealing with financial embarrassment, I entertain no doubt that the course which the Government of India (with the sanction of Her Majesty's Secretary of State for India) have decided to adopt in the present conjuncture is the wisest under the circumstances, and I trust that the Indian public will acknowledge the difficulties of the present position, and will not press for a hasty decision, or the inconsiderate adoption of measures which must, from the very nature of the case, prove to be either inadequate or unnecessary.

33. The Government of India having decided to budget for a deficit of Rx. 1,595,100, and the various Local Governments having decided to draw upon their Provincial and Local balances and to budget for expenditure in excess of their Revenue for the year by Rx. 751,200, the question of Ways and Means for the coming year becomes one of unusual importance.

We have to find money to cover the deficit of Rx. 1,595,100 in the Imperial Account, and of Rx. 751,200 in the Provincial and Local Account; we have also to find Rx. 3,550,000 for Expenditure on Railways and Canals, which is not charged against Revenue; and we have to provide funds for loans to Local Bodies, agriculturists, and others, to an extent (excluding the repayment of the balance of a loan by the Bombay Port Trust) which involves a net outgoing of Rx. 327,900.

We have also to meet the payments by the Secretary of State not taken into calculation in any of the above amounts to the extent of 1,889,100*l.*, amounting at the exchange of 1*s.* 2¾*d.* to Rx. 3,070,400, of which about one-half only will be recovered in India from the remitters.

The task appears, at first sight, a formidable one, but I am glad to be able to say that a loan of 300 lakhs of rupees, to be raised in India, will, so far as can be judged at present, be sufficient to meet all our wants. The amount of

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this loan is less by 55 lakhs of rupees than the amount which we propose to spend on Railways and Canals and to charge otherwise than against Revenue, and is probably not in excess of the amount which might be raised yearly in the Indian market without producing any serious disturbance.

As the Government of India have not borrowed for some years, and Government Securities now stand high in price, it may be anticipated that the loan will be raised on favourable terms.

34. This satisfactory result as regards the amount to be borrowed is partly due to the high cash balance of Rx. 15,204,200 with which we expect to open the coming year. It is anticipated that the cash balance will be reduced during 1893-94 by Rx. 2,561,100. It is also due in part to the large net deposits in Government Saving Banks which we are now receiving. The figures of net receipts for the past two years, and the estimated receipts for the present and coming years, are as follows:—

	Rx.
1890-91	530,400
1891-22	824,100
1892-93	977,200
1893-94	811,000

The Bombay Port Trust has taken advantage of the favourable condition of the money market, and proposes to repay on 1st April next a loan of Rx. 616,100. The Rampore State will also pay the balance (Rx. 220,000) of the amount it is providing for the construction of the Moradabad-Rampore Railway. The Ways and Means of the year are proportionately strengthened.

35. It is expected that the drawings of the Secretary of State will amount to 17,200,000*l.* in the current year, and to 18,700,000*l.* in the coming year, making 35,900,000*l.* in the two years. The large amount of these drawings may give rise to the erroneous belief that there has been a great and permanent increase in the Home charges. This is not the case. The Home Expenditure of the last four years has been as follows:—

	£.
1890-91	15,568,875
1891-92	15,974,699
1892-93 (Revised Estimate)	16,563,600
1893-94 (Budget Estimate)	15,843,800

The increased drawings are largely due to payments for Railway stores, and to repayments of money received in former years from Railway Companies, and such repayments, though inconvenient at the present time and involving a considerable temporary addition to the Home charges, will have a beneficial effect on the balance of India's indebtedness in the future.

36. I have already explained that our position in the coming year depends almost entirely on the course of exchange, and, though I must recur to the subject again, I have no intention of adding to the mass of literature that has grown up in connection with the currency question.

The arguments for, and against, an International settlement of that question, and the arguments for, and against, independent action on the part of India, appear to me to have been exhausted. Every scheme that it has been possible for human ingenuity to devise has been elaborated with the utmost care, and pressed on the attention of a perplexed and suffering public as being, in the opinion of its authors, a safe and infallible remedy for undoubted evils. I must plead guilty in my own case to having added something to the burdens of the patient public; but I hope I have not, as sometimes happens in the heat of argument on the currency question, ever used language which conveyed the impression that I looked upon the man with whom I had the misfortune to differ in opinion as being necessarily a person of doubtful honesty and deficient in ordinary intelligence. If I have done so, I retract and apologise. The matter is too serious to permit of any weight being attached to merely personal considerations, and I think I may now fairly call on the disputants to recognise that the suit has, for the time being, passed beyond the stage of pleading and of argument, and that it only remains to await the decision of the tribunal. If the members of that tribunal decide that a remedy is possible

by means of independent action on the part of India and should be tried, let us, whatever our private and personal opinions may be, accept that decision and loyally endeavour to give effect to it. In asking others to accept a decision which they may, possibly, not wholly approve, I am not requiring them to do something which I am not prepared to do myself. The remedy which I have always advocated, which I still prefer, and which I hope may some day be adopted, is the solution of the currency question by International agreement; yet this is the solution which at the present moment is not under consideration.

If, on the other hand, it be decided that, having regard to the interests of India in their widest sense, no remedy for our undoubted difficulties by means of independent action on the part of this country is practicable, or should be attempted, it will be our plain and obvious duty to address ourselves, as best we may, to the task of establishing, securing, and maintaining the integrity of the financial position of India. That task may be a heavy one, but difficulties that are met in the right spirit are already half overcome, and I have confidence in the resources of the country and in the industry of its people.

37. In the first Financial Statement which issued under my name just four years ago, after calling attention to the financial dangers that threatened us in connection with the question of Exchange and the fall of the Opium Revenue, I remarked that, "if we could get rid of the Exchange difficulty, I should be prepared to adopt a hopeful view of the future, and, if there were in addition no risk of a great war, I should look forward to our progress in coming years with as much confidence as it is ever safe to feel in financial matters."

In the following year, when dwelling on the improvement that had taken place in the course of twelve months and on the grounds for expecting further improvement in the immediate future, I added the following words:—

"I fully recognize that we have difficulties of no slight magnitude still to meet, that the finances are exposed to many dangers, and that unforeseen disasters might for a time upset our calculations. There is every need for caution and for economy, and I should greatly regret if anything I now say, or have said in the past, conveyed the impression that the Government of India are in a position to embark on a policy of adventure of any description."

When I made these remarks the tide of Indian financial prosperity was rising, and it was held in some quarters that the policy I advocated was unnecessarily timid. The remission of taxation, it was said, would relieve the springs of industry, and public works should be vigorously prosecuted with funds raised by gold loans in London.

One of those disasters the occurrence of which a study of the history of the Indian finances, and more than twenty years' practical experience of their working, had taught me to regard as possible at any moment, and on the shortest warning, has now come upon us, and I do not think the critics will look back with much satisfaction to the opinions they formerly expressed; for my part I have no wish to dwell on the subject, and I recall the matter at the present time merely with the object of adding force to what I have now to say.

Even under present circumstances, when the horizon is dark with the approach of what may prove to be the greatest financial convulsion of the present century, I do not draw back from the opinion I formerly expressed that the revenues of India are adequate to meet her wants; but I wish to say in the most emphatic terms that, if the Ship of State is to pass successfully through the storm which she is now entering, our measures must be taken in due time, must be regulated by prudence and forethought, and must be carried into execution with strict regard to economy.

PART II.

IMPERIAL, PROVINCIAL, AND LOCAL, REVENUE AND EXPENDITURE.

SECTION I.—ACCOUNTS OF 1891-92.

38. The Revised Estimates for the year 1891-92 showed a deficit of Rx. 80,000. In announcing that deficit in last March, I stated my belief that the Final Accounts would show an improvement, and that it was more than probable that equilibrium would be secured. In June the Under-Secretary of State for India was able to announce in Parliament that this expectation had been realised, and he estimated the surplus of the year at Rx. 354,000. The actual surplus has proved slightly higher, being Rx. 467,535.

39. Explanations of the variations under the several heads will be found in the Appropriation Report, published in the "Gazette of India" of the 18th instant. The following statement contains a general comparison of the Revised Estimates with the Accounts of the year:—

	Revised Estimate.	Accounts.	Accounts Better.	Accounts Worse.
REVENUE.				
India - - - - - - Rx.	88,219,400	88,773,360	553,960	-
England - - - - - £.	255,200	257,919	2,719	-
Exchange - - - - - Rx.	111,300	112,004	704	-
TOTAL - - - Rx.	88,585,900	89,143,283	557,383	-
EXPENDITURE.				
India—				
Imperial, Provincial, and Local Rx.	65,873,700	66,004,760	-	131,060
Adjustment of Provincial and Local Surplus or Deficit - Rx.	—461,500	—240,924	-	220,576
England - - - - - - £.	16,193,400	15,974,699	218,701	-
Exchange - - - - - - Rx.	7,060,300	6,937,213	123,087	-
TOTAL - - - Rx.	88,665,900	88,675,748	-	9,848
SURPLUS OR DEFICIT - - - Rx.	—80,000	+467,535	547,535	-

1891-2. General Results.

40. The improvement in the Revenue and Expenditure in India was Rx. 422,900, of which Rx. 220,576 occurred in the Provincial and Local sections of the Accounts, and Rx. 202,324 in the Imperial section. The improvement in the Revenue and Expenditure in England amounted to Rx. 345,211. The two amounts last mentioned make up the final improvement of Rx. 547,535, which converted the estimated deficit of Rx. 80,000 into a surplus of Rx. 467,535.

1891-92. Revenue in India.

41. Most of the Heads of Revenue, contributed to the increase of Rx. 553,960 in the Revenue in India. The largest increases occurred under the Principal Heads of Revenue, Rx. 190,849 (Rx. 85,274 of which was in Land Revenue), and under Railways, Rx. 283,089.

 42. In

1891-92. Expenditure in India.

42. In the Revised Estimates for the year, there was an under-estimate of the Military Expenditure in India of Rx. 116,062. Smaller variations under other heads result in a net increase of Rx. 14,998. These two sums together make up the amount, Rx. 131,060, shown as increase of expenditure in India in the table in paragraph 39.

Expenditure in England.

43. The decreases of Expenditure in England, 218,701*l.*, and in Exchange on it Rx. 123,087, are explained by the refusal of the War Office to receive in the year 1891–92 the sum provided in the Revised Estimate to pay off the claims of the War Office on account of British forces serving in India.

1891-92. Expenditure not charged to Revenue.

44. The capital outlay on Railways and Irrigation Works, not charged to Revenue, was Rx. 3,500,000 as entered in the Revised Estimates.

SECTION II.—REVISED ESTIMATE OF 1892-93.

45. The following Statement compares the figures of the Budget and Revised Estimates of 1892–93 for Revenue and Expenditure in India and in England:—

	Budget.	Revised.	Revised Better.	Revised Worse.
REVENUE.				
India - - - - - - Rx.	88,066,700	89,683,000	1,616,300	—
England - - - - - - £.	200,800	211,400	10,600	—
Exchange - - - - - - Rx.	100,400	126,800	26,400	—
TOTAL - - - Rx.	88,367,900	90,021,200	1,653,300	—
EXPENDITURE.				
India—				
Imperial, Provincial, and Local Rx.	65,457,400	64,965,100	492,300	—
Adjustment of Provincial and Local Surplus or Deficit - Rx.	—1,161,700	—363,800	—	797,900
England - - - - - - £.	15,950,400	16,563,600	—	613,200
Exchange - - - - - - Rx.	7,975,200	9,938,200	—	1,963,000
TOTAL - - Rx.	88,221,300	91,103,100	—	2,881,800
SURPLUS OR DEFICIT - - - Rx.	+ 146,600	—1,081,900	—	1,228,500

1892-93. General Results.

46. The considerable deficit which is now anticipated in 1892–3 may be ascribed to the fall in the rate of exchange. Had the rate of 1 *s.* 4 *d.* the rupee, which was taken in estimating last March, been realised, a surplus appreciably larger than that shown in the Budget Estimate would have been secured.

The Revenue has shown satisfactory progress in the year, almost every head showing an increase: and the Expenditure in India as a whole has been kept below the Estimate. The portion of these improvements which occurs on the Imperial section of the Estimates is more than sufficient to cover the increase in the sterling Expenditure in England with Exchange on it at the rate of 1 *s.* 4 *d.* the rupee. The increase in net Expenditure caused by the fall in the rate of Exchange from 1 *s.* 4 *d.* to 1 *s.* 3 *d.* the rupee (the effect of that fall on the head XXIV—Exchange being neglected) amounts to Rx. 1,635,300, which is Rx. 553,400 in excess of the deficit of the Revised Estimate. Consequently, if that fall had not occurred, instead of a deficit, there would have been a surplus of over Rx. 550,000.

47. The

1892-93. Revenue in India.

47. The Revenue in India is now expected to be Rx. 1,616,300 in excess of the Estimate made in March last. Of this amount, an increase of Rx. 1,023,800 occurs in Imperial Revenue, and of Rx. 592,500 in Provincial and Local Revenue.

1892-93. Decreases of Revenue in India.

48. The only important decreases of Revenue in India are (1) one of Rx. 75,000 under Customs, for which diminished exports of rice from Burma account, and (2) one of Rx. 120,700 under XXIV—Exchange. It is very difficult to frame satisfactory Estimates under the head XXIV—Exchange. The factors influencing the amount of the gain taken to that head, or of the loss taken to the corresponding charge head, 31—Exchange, as the case may be, are—

(1.) The amounts of the withdrawals of Capital by Railway Companies for expenditure. It is possible to make an estimate of these amounts, though considerable variations are found to occur frequently, the Companies requiring more or less money than they anticipated at the beginning of the year.

(2.) The amounts of payments to Railway Companies for Revenue Stores. These can be estimated on the basis of past experience, but are subject to variations.

(3.) The rates of exchange fixed by the several contracts with the Companies for the adjustment of Capital and Revenue transactions. The rates for the adjustment of withdrawals of Capital in India are in most cases fixed definitely by the contracts, but the rates for the adjustment of withdrawals of Capital in England and for the adjustment of Revenue transactions depend on the course of exchange in the half-year immediately preceding that of the occurrence of the transactions.

(4.) The amounts of the transactions other than those of Railway Companies which enter into the Remittance Account with London. These can be estimated from past experience, but are subject to variation from various causes.

(5.) The rate of exchange fixed annually for the adjustment of transactions between India and England. This is known beforehand.

(6.) The average rate of exchange at which the Secretary of State sells his Bills on India during the year. This cannot be foreseen with any accuracy.

The differences between the actual average rate of exchange (6), and the other rates of exchange mentioned, applied to the amounts of the transactions concerned, give the gain or loss by Exchange entered under one or other of the two heads.

Of the total reduction of Rx. 120,700 below the Budget Estimate of the current year for this uncertain head of Revenue, the decrease occurring in connection with the transactions of Railway Companies is Rx. 70,900, and that in connection with other payments and receipts on the Remittance Account is Rx. 49,800.

1892-93. Increases of Revenue in India.

49. The more important increases of Revenue are: —

	Rx.
Land Revenue, including that due to Irrigation	203,300
Opium	331,900
Salt	103,900
Stamps	228,600
Excise	101,200
Forests	60,400
Mint	99,400
State Railways	235,500
Irrigation—Major Works, Direct Receipts	164,000
Army Receipts	51,100

The increase in Land Revenue is the consequence partly of a favourable season, and partly of settlement operations having resulted in larger increments of Revenue than anticipated. All Provinces, except the North-Western

Provinces and Oudh, contribute to the increase, but the Province showing the largest increase is Burma; in addition to a specially large increase from settlement operations and extensions of cultivation, the Revised Estimates for that Province include arrears of the rent due by the Ruby Mines Company amounting to Rx. 20,000.

The price of Opium rose very much after March last; the average price realised at the monthly sales of Bengal Opium has been R. 1,247 a chest, as compared with the estimated price of R. 1,050; and the receipts in Bengal have consequently exceeded the Estimate by Rx. 422,200, notwithstanding the reduction from October last in the quantity offered for sale each month. The increase in Bengal is partially counterbalanced by a falling off in Bombay consequent on a diminution of the exports of Malwa opium.

The increase under Salt occurs in the Northern India Salt Department, from which the issues have been unusually high. In Bombay the issues have fallen off largely from those of 1891–92, and in Madras, Bengal, and Burma, to a smaller extent.

The Stamp Revenue has increased in almost every Province, and notably in Madras, Bengal, and Bombay.

The Excise Revenue has also increased in most Provinces, especially Bengal, Lower Burma, and the North-Western Provinces and Oudh. The Revenue in Madras, however, is expected to be Rx. 50,000 less than the Budget Estimate.

The increase under Forest has been secured in Burma. The season in Lower Burma has been a specially favourable one for floating timber down the rivers.

The Mint Receipts have increased because the amount of silver tendered for coinage has been considerably above the average.

The falling-off in the Railway Revenue from the exceptional amount realised in 1891–92 has not been so great as it was deemed prudent to assume in the Budget Estimate.

The increase under Irrigation is ascribed partly to the recovery of arrears in Orissa, but mainly to the area irrigated from the canals in the Punjab and in the North-Western Provinces having been greater than was anticipated.

The Army Receipts are uncertain. The receipts from the sales of cattle and remounts and of Commissariat and Ordnance Stores, from issues of malt liquor and from arms issued to the Police, will be greater than anticipated.

1892-93. Revenue in England.

50. The small increase in the Sterling receipts occurs chiefly in Telegraph Revenue, Superannuation Fund Subscriptions, and Miscellaneous Store Receipts.

1892-93. Expenditure in India.

51. The expenditure in India is expected to be less than the Budget Estimate by Rx. 492,300. Of this amount a decrease of Rx. 286,900 occurs in the Imperial Expenditure, and of Rx. 205,400 in the Provincial and Local Expenditure.

The decrease is the net result of a number of decreases and increases.

1892-93. Decreases of Expenditure in India.

52. The more important decreases are as follow:—

	Rx.
Land Revenue	74,800
Opium	640,000
Forest	75,100
Police	54,000
Education	51,100
Famine Relief	53,200
State Railways, Working Expenses	76,400
Miscellaneous Railway Expenditure	70,100

The decrease under Land Revenue occurs in all Provinces except Bengal (where there has been an increase of Expenditure on Surveys and Settlements), and Burma (where the large increase of Revenue has involved increased Expenditure in collection), and is due partly to new measures not being introduced so soon as expected, and partly to Local Governments making rather liberal provision in the Budget Estimates for the existing scale of expenditure.

The

The decrease under Opium is due to the failure of the Opium crop in Bengal. This failure necessitated a considerable reduction in the quantity of opium offered for sale at the monthly sales, beginning with the sale of October last.

The Budget Estimates made too liberal provision for the expenditure under Forest, especially in Bombay and Madras, in which Provinces the Revenue is also less than the Estimate.

Under Police the Expenditure will exceed the Budget Estimate by Rx. 22,800 in Bengal, where the provision made for the charges in South Lushai has proved to be insufficient, by Rx. 500 in Assam, this small excess being also caused by increased charges in the Lushai country, and by Rx. 15,900 in the North-Western Provinces and Oudh, where a scheme of re-organisation not provided for in the Budget Estimates has been sanctioned and brought partially into operation. In other Provinces the Police expenditure will generally fall short of the Budget provision: the reasons are the same as those given for the decrease in Land Revenue Expenditure.

The decrease under Education is distributed over nearly all the Provinces, and may also be ascribed to too liberal provision in the Budget Estimates.

The decrease under Famine Relief occurs because the favourable rains in Madras rendered it unnecessary to utilise fully the amount provided by the Madras Government in view of the unfavourable prospect which existed in March last. In Bombay also the provision made was not required. On the other hand, the Local expenditure in Bengal has been greater than the estimate, and in Ajmere and Rajputana some expenditure has been incurred under this head in addition to that on Public Works undertaken to provide labour for persons in distress.

The reduction of Expenditure on State Railways—Working Expenses occurs on the North-Western Railway, on which the traffic has been exceptionally light this year: on other Railways generally the improvement in the traffic has caused an increase of both the Working Expenses and the Receipts.

The decrease under Miscellaneous Railway Expenditure is caused by the transfer to the account of the Assam-Bengal Railway Company of the amount spent on the survey of the line by the Government of India before the Company was formed. The actual expenditure in the year on Railway Surveys is higher than the Budget Estimate, as some new surveys not included in the Estimate were begun.

1892-93. Increase of Expenditure in India.

53. The savings, of which the more important items are explained in the preceding paragraph, are to a considerable extent counterbalanced by increases under other heads. Of these the more important are:—

	Rx.
Interest on Debt	56,800
Political	50,500
Irrigation—Minor Works	43,100
Army	515,500

The excess under Interest arises in connection with the successful conversion of the larger part of the outstanding 4½ per cent. loans into 4 per cent. debt. The half-yearly dates for the payment of the 4 per cent. paper issued in exchange differ from the dates for the 4½ per cent. paper received in exchange, in such a way that the payment of a portion of one-half year's interest is made in the later months of 1892–93 instead of in the earlier months of 1893-94. There was also a charge, adjusted in India, of Rx. 9,600 for brokerage on the conversions effected in London. But for these non-recurring increases, the conversion would have resulted in a saving of ½ per cent. per annum for nine months on the amount converted; in future years the saving will be ½ per cent. on the amount converted.

The increase under Political is caused by increase in the establishments at Gilgit (partly by transfer from the Military Estimates), by the occupation of the Kurram Valley, by missions on the North-West Frontier, and by expenditure in the Lushai country.

The increase under Irrigation—Minor Works—is due to expenditure in Upper Burma and Rajputana on works undertaken in consequence of the scarcity which occurred in those Provinces before the last rains.

The excess under Army is due to the following causes, the approximate amounts for each being stated:—

		Rx.	Rx.
Expeditions.	Lushai	60,000	
	Isazai	50,000	
	Kajuri Kach	100,000	262,600
	Kurram	45,000	
	Manipur (arrears)	7,600	
Transport and supply arrangements for feeding the Indian and Kashmir troops in Gilgit			78,400
The new system of supply of clothing to British troops			20,500
Purchase of additional horses, and other smaller grants			10,000
Rise in the price of food for men and animals, and an increase in the number of transport animals to be fed			150,000

1892-93 Provincial and Local Adjustments.

54. The sum of Rx. 797,900 entered opposite "Adjustment of Provincial and Local Surplus or Deficit," represents the amount by which the reduction of their accumulated balances by Local Governments has been less than they proposed when the Budget Estimates were framed. Of this improvement in the position of Local Governments, increase of Revenue accounts for Rx. 592,500, and reduction in Expenditure for Rx. 205,400.

1892-93. Expenditure in England.

55. The increase of 613,200*l.* in the Expenditure in England is accounted for by the increases under the following heads:—

	£.
Interest on debt	37,600
Marine	123,400
Superannuation	81,900
Army Effective charges	237,900
Non-effective charges	189,900

The increase under Interest is due to the discount and commission charges of 43,900*l.* on the sterling loan of 1,300,000*l.* raised during the year for advances to Railway Companies and discharge of Railway Debentures, the provision made for interest on temporary loans, on the other hand, not being required.

The increase under Marine is caused by payments for the construction of the troop-ships "Warren Hastings" and "Minto" and the dredger "Mud Turtle," which were not provided for in the Estimate.

Under Effective Army charges, 208,000*l.* of arrears of payments to the War Office, which it was intended to pay in 1891-92, have been paid this year. The payments of furlough allowances are expected to exceed the Estimate in consequence of the payment of allowances monthly instead of quarterly, which has the effect of causing the allowances due for the last two months or so of 1892-93 to be paid within the year instead of in the early months of the following year: the payments for Clothing, Commissariat, and Medical Stores, are increased by 78,600*l.*: and, on the other hand, the amount provided for Ordnance Stores is expected to be less by 86,000*l.*, representing payments postponed to next year.

The increase in the non-effective Army charges is due to the payment of pensions monthly instead of quarterly, as explained above in regard to furlough allowances.

The increase under Superannuation Charges is also due to the cause just mentioned.

1892-93. Exchange.

56. The net charge for Exchange on the Revenue and Expenditure in England is Rx. 9,811,400, being an increase of Rx. 1,936,600 over the Budget Estimate of Rx. 7,874,800. Of this increase the sum of Rx. 301,300 represents the Exchange at the Budget rate of 1*s.* 4*d.* the rupee on the net increase of sterling Expenditure, and the remainder, Rx. 1,635,300, is due to the fall in the rate to 1*s.* 3*d.* the rupee.

SECTION III.—BUDGET ESTIMATE OF 1893-94.

1893-94. General Results.

57. The following statement compares the Revenue and Expenditure in India and in England in the Budget Estimate of 1893-94 with that in the Budget Estimate of 1892-93:—

	1892-93.	1893-94.	1893-94 better than 1892-93.	1893-94 worse than 1892-93.
REVENUE.				
India - - - - - - Rx.	88,066,700	89,690,900	1,624,200	—
England - - - - - £.	200,800	193,500	—	7,300
Exchange - - - - - Rx.	100,400	121,300	20,900	—
TOTAL - - - Rx.	88,367,900	90,005,700	1,637,800	—
EXPENDITURE.				
India—				
Imperial, Provincial, and Local Rx.	65,457,400	66,572,300	—	1,114,900
Adjustment of Provincial and Local Surplus or Deficit - Rx.	— 1,161,700	— 751,200	—	410,500
England - - - - - £.	15,950,400	15,843,800	106,600	—
Exchange - - - - - Rx.	7,975,200	9,935,900	—	1,960,700
TOTAL - - - Rx.	88,221,300	91,600,800	—	3,379,500
SURPLUS OR DEFICIT - - - Rx.	+146,600	—1,595,100	—	1,741,700

The reasons which have led the Government of India to take the very unusual course of adopting a Budget Estimate which results in a large deficit have been explained in Part I. A very substantial development of revenue is taken credit for. The increase of expenditure is also considerable; it would, however, have been more than covered by the increase in Revenue, but for the serious addition to the Exchange on sterling expenditure caused by the fall in the rate from 1*s.* 4*d.* to 1*s.* 2$\frac{3}{4}$*d.* the rupee.

1893-94. Revenue in India.

58. The Estimates for next year anticipate an increase of Revenue in India over the Budget Estimate of 1892-93 of Rx. 1,624,200. Of this amount, an increase of Rx. 934,500 occurs in Imperial Revenue, and of Rx. 689,700 in Provincial and Local Revenue.

1893-94. Decreases of Revenue in India.

59. There is only one important decrease of Revenue, namely, that under Opium, of Rx. 318,400. Of this, the larger part, Rx. 207,000, is caused by the reduction in the quantity of Bengal Opium to be offered for sale, necessitated by the failure of the crop last year and the exhaustion of the reserve; had it not been for the considerable rise in the price of opium, which enables us to count on securing a higher average price next year than that taken last March, the decrease in the Bengal Opium Revenue would have been very much larger. The remainder of the decrease is caused by the heavy falling-off in the exports of Malwa Opium from Bombay, and by the change in the Lower Burma Opium regulations described in paragraph 71 below.

A decision of the Government which leads to an appreciable diminution of Revenue may be mentioned here. It has been decided that officers who are entitled to make family remittances through the Government may do so at the rate of Exchange of 1*s.* 4$\frac{3}{4}$*d.* the rupee, instead of at 1*s.* 2$\frac{3}{4}$*d.*, the rate fixed for the adjustment of transactions between England and India in 1893-94. This concession will, it is estimated, cost Rx. 77,700, and reduces the receipts under XXIV—Exchange by that amount. The increase in the receipts under that

head in connection with the Railway Companies' transactions, however, more than counterbalances this loss, and the receipts under XXIV.—Exchange in the Estimates for 1893–94 are slightly higher than in the Budget Estimates for 1892–93.

It may be mentioned also that the rate of 1*s.* 4$\frac{3}{4}$*d.* will be applied to the payment of furlough and absentee allowances in England as well as to remittances; the additional Expenditure entailed will appear in the sterling charges, which would be less were the official rate of exchange, 1*s.* 2$\frac{3}{4}$*d.*, applied to the calculation of the allowances due.

1893–94. Increases of Revenue in 1893–94.

60. The following are the more important increases of Revenue which are anticipated in the Budget Estimate:

	Rx.
Land Revenue, including that due to Irrigation	592,900
Stamps	204,500
Provincial Rates	84,000
Telegraph	58,200
Railways, State and Guaranteed	722,600

The increase in Land Revenue is distributed over all Provinces except the North-Western Provinces. The Estimates for each Province will be noticed more in detail in paragraph 67.

It is believed safe to assume that most of the increase in Stamp Revenue in 1892–93 will be retained in 1893–94.

The Receipts under Provincial Rates generally rise or fall with the Receipts on account of Land Revenue, and the increase of Rx. 84,000 is contributed to by nearly all the Provinces.

Under Telegraph a moderate normal increase of Revenue is taken in the Estimates.

Under Railways it is assumed that the Revenue shown in the Revised Estimate of 1892–93 will be realised in 1893–94, together with an increase consequent on the increased mileage open, and on specific circumstances expected to develope the traffic on lines already opened.

1893–94. Expenditure in India.

61. The increase of Expenditure in India over the Budget Estimate of 1892–93 amounts to Rx. 1,114,900, composed of an increase of Rx. 835,700 in the Imperial Expenditure and Rx. 279,200 in the Provincial and Local Expenditure.

1893–94. Decreases of Expenditure in India.

62. The decreases of Expenditure in India, which it has been found possible to secure next year, are unfortunately not large. The only important ones are:—

	Rx.
Assignments and Compensations	37,800
Interest on Debt	256,800
Famine Relief	89,500
Construction of Railways charged against Revenue	226,400
Irrigation—Minor Works	93,600

The saving under Assignments and Compensations is secured by the stoppage of the Goa Subsidy of Rx. 40,000 and the Customs Tariff Compensation of about Rx. 6,000 payable to the Indo-Portugese Government under the treaty of 1879, which was abrogated with effect from the 15th January 1892. The saving of the subsidy in 1892–93 was counterbalanced by the payment of arrears of the Customs Tariff Compensation under the treaty, and of compensations to the owners of Salt Pans which were claimable under the treaty on its termination. Some of these last-mentioned compensations will remain over for settlement in 1893–94, as the assessment of the amounts due takes time.

The decrease under Interest is due to the amount transferred from Ordinary to Public Works Debt on account of the Capital outlay on Railways and Irrigation Works, and to a saving of Rx. 54,000 secured by the conversion, in July last, of Rx. 10,792,490 of the 4½ per cent. Loan into 4 per cent. Paper.

The scarcity which prevailed in March last in Madras and other Provinces rendered it necessary to make a considerable provision for Famine Relief in the Budget Estimate of 1892–93. Fortunately that necessity does not exist now. But the Governments of Madras and Bengal have judged it prudent to enter Rx. 30,000 and Rx. 10,000 respectively for possible Famine Relief next year as a precautionary measure.

Of

Of the decrease under Construction of Railways charged against Revenue Rx. 118,300 is Imperial. In the general position of the finances as disclosed in this statement, it was impossible to allot anything from Revenue for the construction of Railways, and the Capital outlay next year has accordingly to be restricted to the grant not charged to Revenue and the sum available from the Famine Insurance Grant. The remainder of this decrease is Provincial: so large a provision as last year is not required for the Mayaveram-Mutupet Railway in Madras and the Hyderabad-Umarkot Railway in Bombay.

The Budget grant for Imperial Expenditure on Irrigation—Minor Works in 1892-93 included Rx. 44,000 for Famine Relief Works in Ajmere and Rajputana. It is not necessary to make a similar provision next year. Several of the Local Governments have also reduced their Provincial Expenditure under this head below the Budget Estimate of 1892-93.

63. The more important increases of Expenditure in India are— 1893-94. Increases of Expenditure in India.

	Rx.
Land Revenue	81,400
Political	61,700
State Railways—Working Expenses	208,700
„ „ Interest	180,400
Military Works	58,500
Civil Works	140,800
Army	686,800

The increase under Land Revenue is due to expenditure on Surveys and Settlements in several Provinces, and to increased expenditure being necessary to collect the increased receipts.

The increase under Political is mainly caused by an increase of the Civil staff at Gilgit (partly by transfer from the Military Estimates), by the occupation of the Kurram Valley, by the demarcation of the Burma-Siam boundary, and by increased expenditure on Imperial Service Troops.

Of the increases in State Railway Expenditure, that for Working Expenses is required to earn the anticipated higher revenue, and that for Interest is a transfer from Ordinary Debt, following the yearly addition to the Capital Expenditure.

Of the increase under Military Works a portion is counterbalanced by a decrease in the sterling Expenditure in England, and the remainder is explained by the fact that a special deduction was made from the grant for 1892-93 in view of the excess expenditure in 1891-92.

The increase of Expenditure on Civil Works occurs entirely in the Provincial and Local section of the Accounts. The necessities of the position have compelled the Government of India to restrict Imperial Expenditure on Public Works. Burma and Assam are the Provinces in which the largest increases of Provincial Expenditure are proposed.

The last of the increases is the largest, that under Army. The main items of Expenditure accounting for the increase are—

	Rx.
Increased pay of British Troops owing to the fall in the rate of exchange from 1*s.* 4*d.* to 1*s.* 2¾*d.*	240,000
Grant of Armament pay to the Garrison Artillery necessitated by the similar grant in England	14,900
Increased expenditure on Ordnance establishment and stores	88,200
Increased cost of clothing British Troops under the new system promulgated in Army Circular No. 165 of 1892	27,100
A rise in the price of food for men and animals and an increase in the number of transport animals to be fed	70,000
An increase in the gross amount of pensions to Native soldiers, and the payment of pensions in the Eastern Circle, Bengal, within the year for five quarters instead of for two half-years, in consequence of the transfer of the payments to the Civil Department	23,500
Extension of grass-farming operations	13,500

	Rx.
The provision made for the cost of the Kajuri Kach and Karram Valley Forces, and arrear charges of the Chin and Lushai Expeditions - - - - - - - - -	174,000
Transport and supply arrangements for feeding the Indian and Kashmir troops in Gilgit - - - - - - - -	30,000
The reconstitution of the Hindustani Regiments - - -	12,500
The provision of Rx. 18,800 instead of Rx. 6,800 for the transfer of the 1-1st Goorkha Regiment from Dharmsala to a more healthy station - - - - - - - -	12,000

In the above list no item which does not amount to a lakh of rupees is mentioned. There are other smaller items of increase, and, on the other hand, there are a few items of decreased expenditure.

1893-94. Provincial and Local Adjustments.

64. The entry of Rx. 410,500 opposite "Adjustment of Provincial and Local Surplus or Deficit" in the table in paragraph 57 means that the Local Governments propose to draw against their accumulated balances to a smaller extent than in the Budget Estimate of 1892-93. This reduction of the drawings against balances is due entirely to the improvement of Provincial and Local Revenues: and is secured notwithstanding an increase of expenditure. The increase of Provincial and Local Revenues is Rx. 689,700 and the increase of Expenditure Rx. 279,200.

1893-94. Expenditure in England.

65. A decrease of 106,600*l.* in the sterling expenditure in England is expected. A reduction of 54,400*l.* occurs under Special Defence Works, in consequence of the approaching completion of the payments due by India for the stores for the Aden Defence Works. Under Army there is a reduction of 97,000*l.* The cause of this is a diminution by 270,000*l.* in the payments for Ordnance stores. Considerable progress having been made with the re-armament of the Army in India, it may be hoped that these charges will still further decline in future years. On the other hand, the cost of other Military stores is increased by 66,300*l.*; payments for deferred pay are higher by 52,000*l.*, a consequence of the considerable augmentation of the strength of the British Army in India in 1885 and 1886; and the non-effective Army charges are increased by 56,300*l.*

The Marine charges in England also show an increase of 39,700*l.*, mainly because of further heavy payments to be made on account of the troopships Warren Hastings and Minto.

The variations in the remaining heads of the Home Estimates other than Marine, Army, and Special Defences, are smaller, and, on the whole, nearly counterbalance each other.

1893-94. Exchange.

66. The increase of Rx. 1,960,700 in the Exchange on Expenditure in England is due to the fall in the rate of exchange from 1*s.* 4*d.* to 1*s.* 2$\frac{1}{2}$*d.* the rupee. Had it been possible to hope that Council Bills will be sold at an average rate of 1*s.* 4*d.* in 1893-94, the column for Exchange would have shown a small reduction proportionate to the decrease in sterling expenditure.

SECTION IV.—EXAMINATION OF THE ESTIMATES UNDER THE MORE IMPORTANT HEADS OF REVENUE AND EXPENDITURE.

LAND REVENUE.

67. The Estimates for 1892-93 and for 1893-94, and the Actuals for the three preceding years, are shown in the following statement:—

	Accounts, 1889-90.	Accounts, 1890-91.	Accounts, 1891-92.	Budget Estimate, 1892-93.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.
	Rx	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue, including that due to irrigation.	24,671,165	24,754,205	24,638,963	25,379,900	25,583,200	25,972 800
Expenditure - - -	3,624,194	3,676,596	3,835,126	4,031,000	3,956,100	4,112,300
Net - -	21,046,971	21,077,609	20,803,837	21,348,900	21,627,100	21,860,500

The

The Budget Estimate for 1892-93 was higher than it otherwise would have been, owing to the inclusion of arrears from the previous year, mostly in Madras, the collections having been postponed on account of scarcity. The south-west monsoon rains were favourable: such arrears, due to the scarcity, as have not been finally remitted have been collected except some in Ajmere; and the Revised Estimate is for an amount considerably in excess of the Budget Estimate. In Madras, though the Estimate of March last will be realised, the failure of the north-east monsoon is causing some anxiety in regard to a few districts, and prevents an increase over the Budget Estimate. Land Revenue in 1892-93.

The North-Western Provinces and Oudh is the only Province in which the collections this year will fall below the Budget Estimate: floods in two districts and the fact that the estimate for the recovery of arrears was rather high account for this falling off.

In all other provinces the collections will appreciably exceed the Budget Estimate. The increase is explained mainly by the fact that the Estimates did not make sufficient allowance for the increases resulting from settlement operations and extension of cultivation. Land Revenue in 1893-94.

In the Budget Estimate for 1893-94 a further considerable increase of Revenue is counted on. Except Bengal, where the increase is trifling, and the North-Western Provinces and Oudh, where there is a decrease of Rx. 26,400 owing to the amount of arrears to be recovered being taken at a lower figure, experience having shown that every year some considerable arrears remain uncollected, all provinces contribute to the increase, the amounts being—

	Increase as compared with the Budget Estimate for 1892-93.
	Rx.
India (chiefly Ajmere and Biluchistan) - - - -	29,600
Central Provinces - - - - - - - -	30,400
Lower Burma - - - - - - - - -	155,000
Upper Burma - - - - - - - - -	55,000
Assam - - - - - - - - - -	88,400
Punjab - - - - - - - - - -	77,000
Madras - - - - - - - - - -	47,800
Bombay - - - - - - - - - -	132,300

The progress of settlement operations is the cause of these increases in most cases: in the Punjab there will also be some receipts from the sale of lands in the Gujranwala District, in connection with the colonisation scheme for the utilisation of the newly opened Chenab Canal: (there were similar receipts this year which increased the Punjab Revenue in the Revised Estimate); in Sind and Burma larger Revenue will be secured from extension of cultivation as well as from settlement assessments: and in Ajmere there are arrears to be collected.

Opium.

68. The figures are –

	Accounts, 1889-90.	Accounts, 1890-91.	Accounts, 1891-92.	Budget Estimate, 1892-93.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	8,583,056	7,879,182	8,012,380	7,634,600	7,966,500	7,316,200
Expenditure - -	1,605,107	2,180,797	1,861,813	2,234,800	1,595,000	2,255,000
Net - - -	6,977,949	5,698,385	6,150,567	5,399,800	6,371,500	5,061,200

The Budget Estimate of the receipts from Bengal Opium was based on the assumption that 54,000 chests would be sold in the year, at an average price of R. 1,050. Owing to the failure of the crop, it became necessary to reduce the quantity to be sold each month to 3,642 chests, beginning with the sale of Bengal Opium Revenue in 1892-93.

October 1892, and the total quantity sold in the year has accordingly been 48,852 chests only. On the other hand, the average price realised has been R. 1,247 a chest. The rise in price has more than counterbalanced the reduction in quantity, and in Bengal the Revised Estimate shows an increase of Rx. 422,200 over the Budget Estimate.

Bengal Opium Revenue in 1893-94.

For next year the present price and the recent course of prices justify the assumption of an average price of R. 1.250, or R. 200 a chest, higher than that taken in the Budget Estimate of 1892-93. The reduction in the quantity to be sold is, however, so great that the receipts from the sales of Bengal Opium even at that price will be less than the Budget Estimate of this year by Rx. 207,000.

Bombay Opium Revenue in 1892-93 and 1893-94.

The exports of Malwa Opium through Bombay have fallen much below the actuals of 1891-92. And, although some falling off was anticipated, the receipts in Bombay in 1892 93 are now expected to be less than the Budget Estimate by Rx. 100,900. For next year the Bombay receipts are placed at the same figure as in the Revised Estimate of this year.

Opium Expenditure in 1892-93 and 1893-94.

The Opium Expenditure consists almost entirely of the payments for Bengal Opium. The crop this year was again a poor one, and, as an average crop was estimated for, there has been a saving of Rx. 639,800. For 1893-94 the Estimate again provides for the payments in connection with an average crop, it being too soon to forecast the outturn with confidence.

SALT.

69. The figures are—

	Accounts, 1889-90.	Accounts, 1890-91.	Accounts, 1891-92.	Budget Estimate, 1892-93.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	8,187,739	8,523,368	8,636,182	8,544,700	8,648,600	8,587,800
Expenditure - -	412,766	429,013	459,034	497,500	465,300	510,800
Net - - -	7,774,973	8,094,355	8,177,148	8,047,200	8,183,300	8,077,000

Salt Revenue in 1892-93.

The consumption of salt has increased considerably for India as a whole, and the Revised exceeds the Budget Estimate by Rx. 103,900. The receipts are lower than last year in Madras, Bengal, and Burma, and much lower in Bombay. The increase in the receipts of the Northern India Salt Department however more than counterbalances the falling off elsewhere, and it is probable that Northern India salt has in some tracts displaced Bombay and imported salt.

Salt Revenue in 1893-94.

The Budget Estimate for 1993-94 has been taken at a somewhat lower amount than the Revised Estimate for 1892-93.

STAMPS.

70. The figures are—

	Accounts, 1889-90.	Accounts, 1890 91.	Accounts, 1891-92.	Budget Estimate, 1892-93.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	4,087,908	4,068,969	4,262,156	4,229,600	4,458,200	4,434,100
Expenditure - -	134,373	130,019	138,447	140,900	141,400	154,700
Net - - -	3,953,535	3,938,950	4,123,709	4,088,700	4,316,800	4,279,400

The

The Stamp receipts in 1892–93 are expected to be in excess of the Budget Estimate by Rx. 228,600, the renewed improvement, which began in 1891-92 after the check in this head of Revenue in 1890–91, having continued this year. The increase this year being considerably in excess of the average, the Budget Estimate for next year has been placed slightly lower than the Revised Estimate of 1892-93. Stamp Revenue in 1892-93 and 1893-94.

Excise.

71. The figures are—

	Accounts, 1889-90.	Accounts, 1890-91.	Accounts, 1891-92.	Budget Estimate, 1892-93.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	4,891,894	4,947,780	5,117,264	5,102,400	5,203,600	5,145,900
Expenditure - -	156,739	175,053	190,097	206,100	194,100	208,800
Net - - -	4,735,155	4,772,727	4,927,167	4,896,300	5,009,500	4,937,100

As in England so in India, the Excise Revenue shows a constant tendency to rise. The Revenue in 1892–93 is now expected to be Rx. 101,200 in excess of the Budget Estimate, which was slightly below the actuals of 1891 92. The Punjab and Madras are the only Provinces which do not contribute to this increase. In the Punjab the decrease is nominal. In Madras the stoppage in the annual increment of Revenue which has occurred for several years is probably a consequence of the scarcity which was felt in that province up to July last. Excise Revenue in 1892-93.

The increase is largest in Bengal, where the stricter policy introduced some years ago, which had for a time the effect of reducing the Revenue, is now producing the usual result of augmenting it.

The next largest increase is in Lower Burma: the Budget Estimate allowed for a reduction of the Excise Revenue in that province below the figure of 1891-92, because of certain measures designed to restrict the consumption of opium which were introduced rather more than a year ago: this expectation has not been fulfilled, and the Revenue in Lower Burma this year is expected to exceed that of 1891-92 by Rx. 33,300.

In the North-Western Provinces and Oudh some important changes of policy were introduced in the latter part of 1891-92. These changes were expected by the Local Government to result "in a very considerable decrease of Revenue during the first few years at least." Nevertheless the Revenue in 1892–93 will be Rx. 25,700 higher than that of 1891–92.

The Budget Estimate for 1893–94 of Excise Revenue for the whole of India except Lower Burma is taken at an amount rather higher than the Revised Estimate for this year. Excise Revenue in 1893-94.

In Lower Burma it has been decided to make a very important change of policy, and to assimilate the rules regarding the sale, possession, and consumption, of opium to those in force in Upper Burma. The sale to and possession by persons of Burmese race will be generally prohibited. It is estimated that this change will involve an annual loss of Revenue of Rx. 150,000, of which Rx. 120,000 will occur under Excise and Rx. 30,000 under the head Opium. As the change was only finally decided on at the beginning of this month, and as the necessary arrangements for its introduction require some time to complete, the Chief Commissioner fears that he will not be able to introduce the change for two or three months, and it has been assumed for the purpose of the Estimates that the change will not be made till 1st July: accordingly the loss of Revenue in 1893–94 has been taken at three-fourths of the amounts named above.

Customs.

72. The figures are—

	Accounts, 1889-90.	Accounts, 1890-91.	Accounts, 1891-92.	Budget Estimate, 1892-93.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	1,506,686	1,743,218	1,701,288	1,691,800	1,616,800	1,665,200
Expenditure - -	135,021	134,652	136,363	142,300	139,900	144,800
Net - - -	1,371,665	1,608,566	1,564,925	1,549,500	1,476,900	1,520,400

Customs Revenue in 1892-93 and 1893-94.

The Customs Revenue has not done well this year on the whole; but the chief cause of the falling off in the Revenue, as compared with the Budget Estimate for the year and with the actuals of 1891-92, is the diminished export of rice from Burma and Bengal. The crop in Burma is reported to be a good one but late, and the depression of trade in Europe is believed to have had some effect in retarding exports. Prices are high in Burma and Bengal, but low in Europe. If the exports are only retarded, the Revenue next year should show some recovery: for this reason, and because it is reasonable to expect that the special depression of the Customs Revenue which has occurred this year will to some extent disappear, the Budget Estimate for 1893-94 has been taken higher than the Revised Estimate of 1892-93.

Assessed Taxes.

73. The figures are—

	Accounts 1889-90.	Accounts, 1890-91.	Accounts, 1891-92.	Budget Estimate, 1892-93.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	1,595,274	1,617,396	1,652,823	1,645,200	1,683,100	1,687,200
Expenditure - -	27,681	29,246	29,577	31,800	30,400	32,400
Net - - -	1,567,593	1,588,150	1,623,246	1,613,400	1,652,700	1,654,800

Income Tax Revenue in 1892-93 and 1893-94.

The increase of Revenue under this head, which ought to accompany growth in wealth and population, and more effective administration of the tax, has been secured this year, and is assumed, to a smaller extent, in the Budget Estimate of next year.

Forest.

74. The figures are—

	Accounts, 1889-90.	Accounts, 1890-91.	Accounts, 1891-92.	Budget Estimate, 1892-93.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	1,486,303	1,448,002	1,490,582	1,567,200	1,627,600	1,588,800
Expenditure - -	780,035	784,113	843,926	970,500	895,600	990,200
Net - - -	706,268	663,889	646,656	596,700	732,000	598,600

The

The increase in the receipts in 1892–93 occurs chiefly in Lower Burma, where the season was specially favourable for floating timber down the rivers. The recurrence of an equally favourable season in 1893-94 is not assumed in the Budget Estimate. Forest Revenue in 1892–93 and 1893–94.

INTEREST.

75. The Interest receipts since 1889-90 are shown below: Interest Revenue.

	Accounts, 1889–90.	Accounts, 1890–91.	Accounts, 1891–92.	Budget, Estimate, 1892–93.	Revised Estimate, 1892–93.	Budget Estimate, 1893–94.
Revenue:						
India - - Rx.	676,703	710,552	795,588	873,500	830,200	861,100
England - £.	135,633	166,194	58,466	25,000	24,000	20,000
Exchange - Rx.	60,865	54,304	25,389	12,500	14,400	12,500
TOTAL - Rx.	873,201	931,050	879,443	911,000	868,600	893,600

The Revised Estimate of Revenue in India is less than the Budget Estimate by Rx. 43,300. The Guaranteed Railways did not find it necessary to overdraw their Capital account to the extent anticipated, and the receipts from Interest on overdrawn Capital are less than the Estimate by Rx. 35,800. The Government of the North-Western Provinces reduced the rate of interest on the loans to certain municipalities from 4½ to 4 per cent. and made a refund in order to give retrospective effect to the reduction. The receipts in the North-Western Provinces and Oudh are consequently less than the Budget Estimate by Rx. 13,200. In other Provinces the Budget Estimate will be more than realised. Interest Revenue in India in 1892–93.

The Bombay Port Trust have borrowed in the open market in order to repay the balance, amounting to Rx. 616,104, of a loan granted by Government some years ago, the favourable state of the money market enabling them to borrow at a lower rate than that fixed when the Government loan was made, and the Government have waived their right to receive the higher rate during the term of the loan, and agreed to accept repayment on 1st April next. This does not affect the Interest receipts in 1893–94, as the interest is payable yearly on 1st April, but it will reduce them in future years. Interest Revenue in India in 1893–94.

In 1893–94 the Railway Companies are not expected to overdraw their Capital account to a greater extent than this year, but the receipts of interest in India on loans to municipalities and agriculturists will increase with the yearly growth of the Capital amounts. The Governments of Bombay and Madras made in 1892-93 advances of a very large amount to agriculturists. The Government of India are anxious to extend these advances as much as possible, but the state of the balances renders it necessary to reduce the amounts available for the purpose in 1893–94 considerably below the amounts advanced this year.

The receipts in England in the Revised Estimate for 1892-93 and in the Budget Estimate for 1893–94 are lower than last year and than the Budget Estimate of this year, because the rate of interest obtainable on temporary investments of the cash balance has been unusually low, and the balances are expected to be such next year that little money will be available for temporary investment. Interest Revenue in England in 1892–93 and 1893–94.

 76. The

Interest Expenditure.

76. The Expenditure under Interest (other than that charged to Railways and Irrigation Works) has been as follows since 1881–82 :—

Year.	India.	England.	Exchange.	Total.
	Rx.	£.	Rx.	Rx.
1881–82	1,827,369	2,513,126	518,461	4,858,956
1882–83	1,718,857	2,481,978	569,349	4,770,184
1883–84	1,516,887	2,447,333	559,241	4,523,461
1884–85	1,371,347	2,612,657	634,855	4,618,859
1885–86	1,136,962	2,429,243	764,656	4,330,861
1886–87	736,495	2,597,193	976,715	4,310,403
1887–88	662,025	3,365,509	1,414,220	5,441,754
1888–89	811,191	2,662,333	1,238,737	4,712,259
1889–90	760,375	2,402,478	1,078,110	4,240,963
1890–91	861,180	2,513,000	821,124	4,195,304
1891–92	529,662	2,639,345	1,146,169	4,315,176
1892–93, Budget	383,100	2,396,000	1,198,000	3,977,100
1892–93, Revised	449,500	2,433,600	1,460,100	4,343,200
1893–94, Budget	169,900	2,394,400	1,501,600	4,065,900

Interest Expenditure in India.

In addition to the decrease in the Interest charges in India caused by the annual transfer from the Ordinary to the Public Works Debt, a further saving of Rx. 54,090 a year has been secured by a reduction of ¼ per cent. in the rate of interest payable on Rx. 10,792,490 of the rupee debt.

In 1890–91 an offer was made to convert the 4½ per cent. loans of 1878 and 1879 into 4 per cent. paper on certain terms: the offer was accepted by holders of paper of the value of Rx. 8,313,000; and the balance of the two loans outstanding was reduced by that amount, and on the 1st April 1892 stood at Rx. 12,126,817. Under the terms of the loans repayment can be made, after three months' notice, on 15th September 1893. In order to reduce the amount to be dealt with on that date, a further offer for conversion into 4 per cent. paper was made, on terms less favourable to the holders than those of 1890, in the Notification No. 2290, dated 6th June 1892. Holders of paper for the amount of Rx. 10,792,490 accepted these terms. The result is that an annual saving of interest of Rx. 53,963 has been secured with effect from 30th June 1892, and that only a balance of Rx. 1,334,327 remains to be dealt with on 15th September next. For the reason explained in paragraph 53, the saving will not produce an effect on the Accounts until the year 1893–94.

Interest Expenditure in England.

The increase in the Expenditure in England in 1892–93 is caused by the discount on the sterling loan raised during the year.

Post Office.

77. The figures are—

	Accounts, 1889-90.	Accounts, 1890–91.	Accounts, 1891–92.	Budget Estimate, 1892–93.	Revised Estimate, 1892–93.	Budget Estimate, 1893–94.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue	1,301,247	1,402,503	1,446,355	1,498,400	1,491,400	1,538,800
Expenditure	1,376,619	1,396,744	1,493,359	1,555,400	1,547,600	1,588,300
Net {Revenue (+) / Expenditure (−)}	−75,372	+5,759	−47,004	−57,000	−56,200	−49,500

The net Expenditure this year and next will not differ much from that of the Budget Estimate for 1892-93 or the Actuals of 1891-92. The steady progress of the Department necessitates an annual increase of Expenditure, and also secures an annual increase of Revenue. Post Office Revenue and Expenditure.

TELEGRAPH.

78. The figures for the Capital Account and the Revenue Account of the Telegraph Department are:—

	Accounts, 1888-89.	Accounts, 1889-90.	Accounts, 1890-91.	Accounts, 1891-92.	Budget Estimate, 1892-93.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.
Telegraph Capital Account:	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Receipts - - -	1,191	—	—	—	—	—	—
Expenditure - - -	158,858	162,080	179,928	195,170	217,700	208,200	228,400
Net Expenditure - -	157,667	162,080	179,928	195,170	217,700	208,200	228,400
Telegraph Revenue Account:							
Revenue - - -	740,957	766,865	781,035	919,335	892,600	937,700	951,500
Expenditure - - -	545,234	569,275	582,870	643,550	659,500	659,000	688,400
Net Revenue - -	195,723	197,590	198,165	275,785	233,100	278,700	263,100

The position of the Telegraph Department in regard to progress of Revenue and Expenditure is similar to that of the Post Office. The increase of Revenue this year will be greater than that taken in the Budget Estimate, and a further increase is assumed in 1893-94. Telegraph Revenue and Expenditure.

MINT.

79. The figures are—

	Accounts, 1889-90.	Accounts, 1890-91.	Accounts, 1891-92.	Budget Estimate, 1892-93.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.
	Rx.	Rx	Rx.	Rx.	Rx.	Rx.
Revenue - - -	269,512	354,152	210,046	227,000	326,400	230,500
Expenditure - -	120,530	121,888	97,109	115,300	113,600	104,200
Net - -	148,982	232,264	112,937	111,700	212,800	126,300

The coinage in 1890-91 was exceptionally large: in 1891 92 it was small: this year it has again risen very high, and the total for the year will not fall very much short of that in 1890-91. The Estimate for 1893-94 is framed for an average coinage. Coinage and Mint Receipts.

The value of silver bullion presented at the Mints for coinage has been as under in the last few years:—

	Rx.
1884-85 - - - - - - -	5,610,880
1885-86 - - - - - - -	8,838,580
1886-87 - - - - - - -	3,822,170
1887-88 - - - - - - -	7,135,860
1888-89 - - - - - - -	6,550,852
1889-90 - - - - - - -	8,006,370
1890-91 - - - - - - -	12,547,736
1891-92 - - - - - - -	6,238,410
1892-93 (estimated) - - - - -	12,000,000

Civil Departments.

80. The figures of Expenditure for this group are—

	Accounts, 1889-90.	Accounts, 1890-91.	Accounts, 1891-92.	Budget Estimate, 1892-93.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
General Administration	1,759,193	1,740,465	1,791,317	1,831,600	1,881,900	1,882,600
Law and Justice:						
Courts	2,716,275	2,759,431	2,840,007	2,860,600	2,874,400	2,902,600
Jails	857,691	866,460	899,732	908,900	916,400	933,600
Police	3,887,564	3,859,683	3,868,610	3,910,000	3,856,000	3,960,500
Marine (including River Navigation)	657,865	559,257	627,951	780,200	961,800	841,600
Education	1,316,286	1,371,735	1,424,796	1,496,700	1,445,900	1,515,400
Ecclesiastical	161,068	166,005	161,596	169,300	168,300	171,500
Medical	785,243	806,937	884,684	931,100	935,300	949,200
Political	655,254	770,541	767,711	771,600	824,700	835,700
Scientific and other Minor Departments	438,967	485,747	587,438	472,500	479,400	479,300
Total	13,235,406	13,386,261	13,853,842	14,132,500	14,344,100	14,472,000

General Administration Expenditure.

The Expenditure on General Administration—the larger part of the Indian Expenditure is Provincial—necessarily rises with the increase of the administration in efficiency and complexity. Over 60 per cent. of the increases shown in the totals given above under the head in the Revised Estimate for 1892-93 and in the Budget Estimate for 1893-94 occurs in the Exchange on the Sterling Expenditure.

Law and Justice, Police, Education, and Medical, Expenditure.

The Expenditure under Law and Justice, Police, Education, and Medical, also tends to increase from year to year. The Expenditure on these heads is almost entirely Provincial and Local, and, as the Local Governments are mostly in a flourishing financial position, the difficulties of finding funds to devote to the improvement of the administration and to meeting the growing wants of the country are not so great as in the case of Imperial Expenditure.

Marine Expenditure.

The increases under Marine are caused by the construction in England of the new vessels mentioned in paragraphs 55 and 65. In Bengal and Burma also expenditure is being incurred on the construction of a pilot vessel, a light-ship, and steam-launches. The charges in other Provinces and of the Imperial Marine Department are not increasing.

Political Expenditure.

The reasons for the increase of Political Expenditure this year and next have been explained in paragraphs 53 and 63.

Miscellaneous Civil Charges.

81. The figures for this group are—

	Accounts, 1889-90.	Accounts, 1890-91.	Accounts, 1891-92.	Budget Estimate, 1892-93.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Territorial and Political Pensions.	535,582	527,569	557,959	536,200	542,100	529,400
Civil Furlough and Absentee Allowances.	297,475	232,747	276,362	314,500	335,400	341,000
Superannuation Allowances and Pensions.	3,140,361	3,051,541	3,324,109	3,497,600	3,801,500	3,789,300
Stationery and Printing	558,730	592,436	602,885	576,800	627,100	635,100
Miscellaneous	282,135	274,223	285,307	245,800	253,000	243,300
Total	4,814,283	4,678,516	5,046,622	5,170,900	5,559,100	5,538,100

The

Furlough Allowances and Pension Expenditure.

The only heads in this group regarding which any explanation seems necessary are the second and third. In addition to the increase caused by the fall in exchange and, in the case of pensions, by the normal increase in the number of pensioners, the Expenditure under both these heads in the Revised Estimate is augmented by the practice recently introduced in England of paying the allowances monthly instead of quarterly. Pensioners have availed themselves of the concession to a smaller extent than officers on leave, and some provision is made in the Budget Estimate for pensioners making their election to draw monthly after the close of this year. The addition from this cause is not a permanent increase to the Expenditure, but occurs only while the change is being introduced.

Famine Relief and Insurance.

82. The figures are—

Expenditure.	Accounts, 1889-90.	Actuals, 1890-91.	Accounts, 1891-92.	Budget Estimate, 1892-93.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.
	Rx.	x.	Rx.	Rx.	Rx.	Rx.
Famine Relief - - -	68,288	5,579	23,423	130,000	76,800	40,500
Construction of Protective Railways - - -	-	-	484,795	1,011,700	993,900	1,054,300
Construction of Protective Irrigation Works - -	71,457	74,392	77,931	65,000	63,000	65,000
Reduction of Debt - -	460,255	520,029	682,170	-	-	-
Total - - -	600,000	600,000	1,268,319	1,206,700	1,133,700	1,159,800
Net charge on account of the Bengal-Nagpur and the Indian Midland Railways -	462,009	482,351	231,681	293,300	366,300	340,200
Total Expenditure Chargeable to the Famine Grant -	1,062,009	1,082,351	1,500,000	1,500,000	1,500,000	1,500,000

Expenditure on Famine Relief.

The reduction in the amounts to be spent this year and next year on Famine Relief has been explained in paragraphs 52 and 62.

Loss on Famine Railways.

The increase in the net loss on the two Railways this year and next, as compared with the Budget Estimate of 1892-93, is mainly due to the fall in the rate of exchange, the interest charges being payable in sterling.

Capital Expenditure on Protective Railways.

The balance available from the Famine Insurance Grant of Rx. 1,500,000, after meeting the charges for Famine Relief, Protective Irrigation Works, and the loss on the two Railways, is applied to Capital Expenditure on the construction of Railways.

RAILWAYS.

83. The following table shows the main features of the Railway Revenue Account since 1889-90 :—

—	REVENUE.						—	EXPENDITURE.					
	Actuals, 1889-90.	Actuals, 1890-91.	Actuals, 1891-92.	Budget, 1892-93.	Revised, 1892-93.	Budget, 1893-94.		Actuals, 1889-90.	Actuals, 1890-91.	Actuals, 1891-92.	Budget, 1892-93.	Revised, 1892-93.	Budget, 1893-94.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.		Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
	16,605,177	17,234,698	19,936,289	18,831,100	19,062,600	19,549,800	India -	10,331,564	10,357,861	12,145,772	11,794,400	11,617,700	12,192,500
	293	965	1,225	1,100	1,000	1,200	England -	5,609,417	5,702,207	5,653,176	5,741,800	5,723,300	5,748,400
	131	315	532	500	600	700	Exchange	2,517,221	1,863,201	2,454,962	2,871,000	3,434,000	3,604,900
Loss on the Railway Account.	1,852,601	687,291	315,864	1,574,500	1,710,800	1,994,100		—	—	—	—	—	—
TOTAL -	18,458,202	17,923,269	20,253,910	20,407,200	20,775,000	21,545,800	TOTAL -	18,458,202	17,923,269	20,253,910	20,407,200	20,775,000	21,545,800

Railways in 1892-93.

The net loss on the Railway Revenue Account in the current year is now expected to amount to Rx. 1,710,800, or Rx. 136,300 in excess of the loss taken in the Budget Estimate. The net traffic receipts of State Railways are increased by Rx. 311,900; the sterling payments of interest in England are less by 18,500*l.*; but the fall in Exchange causes an additional charge under Exchange amounting to Rx. 563,000. The surplus profits payable to the old Guaranteed Railway Companies are increased by Rx. 31,600. The Miscellaneous Railway Expenditure will be less than the Budget Estimate by Rx. 70,100, owing to a refund by the Assam-Bengal Railway Company of past outlay incurred by the State on Surveys of the line.

State Railways, 1892-93.

The gross traffic receipts of State Railways will probably exceed the amount entered in the Budget by Rx. 235,500, while the saving in working expenses will be Rx. 76,400.

The principal fluctuations in net receipts are the following :—

	Revised Estimate more (+) or less (—) than the Budget Estimate.
	Rx.
East Indian - - - - - - - - -	+156,500
Rajputana-Malwa - - - - - - - -	+244,300
Mu Valley - - - - - - - - -	— 30,500
Burma - - - - - - - - - -	+ 95,000
Bengal and North-Western and Tirhoot - -	— 12,500
Patna-Gya - - - - - - - - -	— 14,500
Oudh and Rohilkhand - - - - - - -	— 10,000
Indian Midland - - - - - - - -	+ 12,500
Bengal Nagpur - - - - - - - -	— 35,000
North-Western - - - - - - - -	—110,000
South Indian - - - - - - - -	+ 25,300

As was the case last year on the lines showing a considerable increase, the principal cause of the improvement is heavier traffic in wheat and seeds. The increase on the Rajputana-Malwa Railway is almost entirely attributable to this cause. On the East Indian Railway there has also been an improvement in coaching traffic, and the absorption into this system of the Patna-Gya Railway

Railway accounts for a portion of the improvement. On the Burma Railway there has been an unusually brisk traffic in rice, more particularly during the later months.

The increase in the net receipts of the South Indian Railway is caused by reduction in working expenses, owing to the extensive renewals allowed for not having been carried out.

The large decrease in the case of the North Western Railway is due to great depression in traffic caused by diminution of grain exports and by breaches of the line during the monsoon. The decrease in the case of the Mu Valley Railway is due to the estimates of receipts and working expenses having been based on insufficient data, while that in the case of the Bengal Nagpur is attributable to a partial local failure of crops.

The receipts on the Bengal and North Western and Tirhoot System are slightly in excess of the original estimate, but the Company's share of net earnings is higher than was anticipated, and the Government share smaller. The Patna-Gya Railway has been incorporated with the East Indian Railway from 1st July 1892. On the Oudh and Rohilkhand Railway the receipts are higher than the original estimate, but the expenses have increased to a larger extent owing to heavy repairs and renewals of permanent-way.

Guaranteed Railways, 1892-93.

The Madras Railway and the Bombay Baroda and Central India Railway show improvements of Rx. 15,000 and Rx. 65,000, respectively, in net receipts. The gross earnings of the Bombay Baroda and Central India Railway exceed the Budget Estimate by Rx. 80,000, due chiefly to heavier traffic in seeds and cotton. Part of the improvement has been absorbed by increased charges for working. The Great Indian Peninsula Railway shows a decrease in net receipts of Rx. 80,000. There have been increased charges owing to renewals of engines, the fall in the rate of exchange, and payments to other lines of their shares of through traffic earnings.

State Railways, 1893-94.

In 1893–94 the gross receipts of State Railways are estimated at Rx. 512,100 more than the Revised Estimate of 1892-93. The most noticeable variations in net receipts, from the Revised Estimate of 1892–93, are as follows:—

	Rx.
East Indian	+45,000
Rajputana-Malwa	—35,000
Oudh and and Rohilkhand	+10,000
Indian Midland	+20,000
North Western	+75,000
Bengal-Nagpur	+35,000
South Indian	+17,500
Southern Mahratta	+18,000

The expectation of so considerable an improvement over the probable receipts of this year may seem sanguine. But the several increases have been taken either—

(1.) In consequence of additional mileage recently opened or to be opened next year; or

(2.) In the case of more recently opened lines, in the hope that the average increase of receipts secured in past years will continue in 1893–94; or

(3.) In the case of the older lines showing exceptionally bad results in 1892–93, by the expectation of a return to normal conditions in 1893–94;

and it is believed that they will be secured. The traffic on the Rajputana-

Malwa Railway during 1892–93 has been so specially favourable that it has not been considered prudent to anticipate such good results in 1893.

Guaranteed Railways, 1893–94.

The net traffic receipts of the Guaranteed Railways are taken at Rx. 3,235,000 or Rx. 25,000 below the Revised Estimate of 1892–93. The estimate for the Madras Railway is the same as the Revised Estimate for 1892–93. In the case of the Bombay Baroda Railway, it has not been considered prudent to anticipate so large a traffic as in 1892–93, but the reduction in earnings has been to a large extent counterbalanced by a reduction in expenses owing to the completion in 1892–93 of repairs and damages by floods, the net result being a decrease of Rx. 5,000 only. The net receipts of the Great Indian Peninsula Railway are estimated at Rx. 20,000 less than in 1892-93, in consequence of a larger provision for renewal of engines.

IRRIGATION.

84. The figures are—

	Actuals, 1889–90.	Actuals, 1890–91.	Actuals, 1891–92.	Budget, 1892–93.	Revised, 1892–93.	Budget, 1893–94.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	1,991,078	2,172,578	2,272,040	2,216,700	2,404,300	2,337,700
Expenditure - -	2,652,707	2,742,128	2,945,019	2,919,500	2,982,300	2,860,100
Net Expenditure -	661,629	569,550	672,979	702,800	578,000	522,400

Irrigation Revenue and Expenditure in 1892–93 and 1893–94.

The Revised Estimate of receipts is higher than the Budget Estimate for the current year by Rx. 187,600, the increase being due to extended irrigation in the North-Western Povinces and Oudh, the Punjab, Bombay, and Madras.

The decrease of Rx. 66,600 in the receipts for 1893–94, as compared with the Revised Estimate of the current year, is due mainly to the demand for water in the Punjab and North-Western Provinces and Oudh having fallen off considerably owing to abundant rain in the autumn of 1892, and partly also to the fact that the realisation of the current year in Bengal has been swollen by collection of arrears.

The decrease would have been larger but for an increase of Rx. 90,300 in Madras, due to new settlements and extension of irrigation.

Net Earnings of Major Irrigation Works.

The gross receipts, working expenses, and net earnings of major Irrigation works for the five years ending 1891–92, and the Revised and Budget Estimates for 1892–93 and 1893–94, are as follows:—

	Actuals.					Revised Estimate.	Budget Estimate.
	1887–88.	1888–89.	1889–90.	1890–91.	1891–92.	1892–93.	1893–94.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Direct receipts - - - - -	950,961	1,061,802	1,132,584	1,284,683	1,404,737	1,487,200	1,323,700
Portion of land revenue due to irrigation	602,555	671,041	689,766	708,996	673,189	725,600	815,600
TOTAL REVENUE -	1,553,516	1,732,843	1,822,350	1,993,679	2,077,926	2,212,800	2,139,300
Working expenses - - - - -	677,607	721,676	727,558	758,413	761,445	790,600	776,100
NET REVENUE - -	875,909	1,011,167	1,094,792	1,235,266	1,316,481	1,422,200	1,363,200

Financial Results in 1890-91 and 1891-92 of Irrigation Works for which Capital Accounts are kept.

Complete information is not available at present for the purpose of bringing out the general results to the end of 1893-94 of Irrigation works for which Capital and Revenue Accounts are kept, but the results obtained in 1890-91 (final) and in 1891-92 (approximately final) are given below :—

	Major Works.	Minor Works.	Total.
1890-91.			
CAPITAL OUTLAY.			
(Direct and Indirct.)	Rx.	Rx.	Rx.
During 1890-91	578,876	69,865	648,741
To end of 1890-91	27,325,317	4,294,993	31,620,310
REVENUE ACCOUNT.			
Gross Revenue	2,025,891	493,123	2,519,014
Maintenance and Working	790,583	273,113	1,063,696
Net Revenue	1,235,308	220,010	1,455,318
Interest	1,081,435		
Net Profit	153,873		
Percentage of net Revenue of the year on the Capital outlay to end of the year	4·52	5·12	4·60
1891-92.			
CAPITAL OUTLAY.			
(Direct and Indirect.)			
During 1891-92	859,239	75,333	934,572
To end of 1891-92	29,636,329	4,636,651	34,272,980
REVENUE ACCOUNT.			
Gross Revenue	2,108,788	452,037	2,560,825
Maintenance and Working	840,419	312,141	1,152,560
Net Revenue	1,268,369	139,896	1,408,265
Interest	1,109,673		
Net Profit	158,696		
Percentage of net Revenue of the year on Capital outlay to end of the year	4·28	3·02	4·11

BUILDINGS AND ROADS.

85. The figures are—

REVENUE.

	Actuals, 1889-90.	Actuals, 1890-91.	Actuals, 1891-92.	Budget, 1892-93.	Revised, 1892-93.	Budget, 1893-94.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Military and Civil Works	650,398	649,289	627,124	606,400	639,100	623,900

EXPENDITURE.

	Actuals, 1889-90.	Actuals, 1890-91.	Actuals, 1891-92.	Budget, 1892-93.	Revised, 1892-93.	Budget, 1893-94.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Military Works - -	1,138,463	1,220,676	1,214,518	1,183,800	1,190,200	1,199,700
Civil Works - -	4,273,726	4,510,231	4,994,234	4,736,300	4,737,200	4,890,900

Revenue.

The improvement in Revenue in the Revised Estimates is due mainly to the sale of certain ferry plant and stores in the North-Western Provinces and Oudh and to the sale of a Government building in Burma.

Expenditure.

The increase in Military Works expenditure in the Revised Estimates is due to large expenditure having been incurred in providing accommodation for troops in the Chin Hills. There is a decrease in Imperial Civil Works expenditure of Rx. 37,400, due mainly to transfer of grants to the head Minor Works and Navigation to provide for outlay on Famine Relief works in Upper Burma.

The Military Works Budget for 1893 94 provides for a small increase in expenditure, while the Civil Works Budget provides for an increased expenditure of Rx. 154,600, all of which is Provincial and Local, the Provincial balances, especially in Lower Burma and Assam, admitting of larger assignments for expenditure on public works.

Provincial Public Works Expenditure.

The figures for the Provincial portion of the Civil Works expenditure are—

	Actuals, 1889-90.	Actuals, 1890-91.	Actuals, 1891-29.	Budget, 1892-93.	Revised, 1892-93.	Budget, 1893-94.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Provincial Civil Works Outlay - - -	1,945,626	2,188,276	2,461,115	2,198,500	2,191,500	2,280,600

Distribution of the Provincial Public Works Expenditure over the various classes of Works.

Full details of the proposed appropriation of the outlay provided for in the Estimates are not yet available at present, but a general idea can be gathered from the accounts of the past two years and the budget estimate of the current year. The figures are :—

	Actuals, 1890-91.	Actuals, 1891-92.	Budget, 1892-93.
	Rx.	Rx.	Rx.
Erection of new buildings - - - -	660,464	739,312	639,515
Construction of roads - - - -	269,824	287,676	208,240
Works of public improvement - - -	51,285	176,099	103,473
Repairs of buildings - - - - -	177,263	191,346	182,449
Repairs of roads - - - - -	459,831	473,929	467,802
Repairs of works of public improvement -	25,715	26,244	25,009
Establishment - - - - - -	464,611	458,075	488,692
Tools and plant - - - - -	26,816	28,004	34,700
Suspense - - - - - - -	—5,477	32,071	8,500
Miscellaneous expenditure by Civil officers in charge of Public Works - - -	57,994	53,359	40,120
TOTAL - - -	2,188,276	2,461,115	2,198,500

ARMY.

86. The figures for Army Expenditure from 1884-85 are as follows:—

YEARS.	India.	England.	Exchange.	TOTAL.
	Rx.	£.	Rx.	Rx.
1884-85	12,023,629	3,974,422	965,752	16,963,803
1885-86	15,247,088	3,689,380	1,161,311	20,097,779
1886-87	14,620,616	3,564,166	1,340,360	19,525,042
1887-88	15,104,908	3,741,015	1,572,011	20,417,934
1888-89	14,812,591	3,746,205	1,743,045	20,301,841
1889-90	14,944,095	3,957,703	1,776,016	20,677,814
1890-91	14,799,128	4,440,125	1,450,815	20,690,068
1891-92	15,741,062	4,559,513	1,980,026	22,280,601
1892-93 Budget	15,006,700	4,594,500	2,297,300	21,898,500
1892-93 Revised	15,522,200	5,022,300	3,013,400	23,557,900
1893-94	15,693,500	4,497,500	2,820,400	23,011,400

The variations in the figures for 1892-93 and 1893-94 are explained in paragraphs 53, 55, 63, and 65. Army Expenditure.

SPECIAL DEFENCE WORKS.

87. The following table shows the Expenditure on "Special Defence Works":— Expenditure on Defence Works since their commencement.

	Rx.
Charged to 44—Military Works.	
To end of 1886-87	150,409
Charged to 47—Special Defence Works.	
1886-87	325,626
1887-88	456,017
1888-89	789,595
1889-90	689,481
1890-91	491,837
1891-92	604,848
1892-93 Budget Estimate	614,500
1892-93 Revised „	559,300
1893-94 Budget „	536,600

The anticipated short expenditure during the current year is attributable to the expenditure in England on stores and armaments having been over-estimated.

The Budget Estimate for 1893-94 is less than the Revised Estimate for 1892-93 by Rx. 22,700.

The total expenditure on Special Defence Works being estimated at Rx. 5,030,000, if the amounts shown above for 1892-93 and 1893-94 are spent, there will remain Rx. 426,287 to be incurred in 1894-95 and future years.

UPPER BURMA.

Cost of Upper Burma

88. The following tables give the Revenue, the Expenditure, and the net Expenditure, on account of Upper Burma, from the year following the annexation :—

REVENUE.

	Land Revenue.	Other Civil Revenue.	State Railway Receipts.	TOTAL.
	Rx.	Rx.	Rx.	Rx.
1886-87	167,200	55,300	—	222,500
1887-88	378,800	123,500	—	502,300
1888-89	436,000	284,600	31,900	752,500
1889-90	539,600	333,500	161,400	1,034,500
1890-91	616,000	319,400	193,300	1,128,700
1891-92	582,600	309,100	223,600	1,115,300
1892-93 (Revised)	710,000	410,100	22,500	1,142,600
1893-94 (Budget)	710,000	375,100	35,000	1,120,100

EXPENDITURE.

	Police.	Other Civil Expenditure.	Railways (including Interest on Capital).	Military Works.	Civil Works.	Irrigation.	Army Special Expenditure.	TOTAL.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
1886-87	349,000	165,100	—	74,000	171,500	13,800	1,517,800	2,291,200
1887-88	709,200	265,700	—	314,800	343,000	12,600	1,475,300	3,120,600
1888-89	794,900	436,700	103,300	160,900	295,900	24,800	631,600	2,448,100
1889-90	861,700	393,700	218,700	142,500	296,800	19,200	435,800	2,368,400
1890-91	735,800	435,600	227,500	141,500	292,700	28,200	350,300	2,211,600
1891-92	684,600	467,000	243,300	152,200	330,100	100,800	529,200	2,507,200
1892-93 (Revised)	649,800	530,800	105,200	162,100	260,100	119,500	490,000	2,317,500
1893-94 (Budget)	659,800	573,700	124,000	150,000	300,000	50,000	505,000	2,362,500

NET EXPENDITURE.

1886-87.	1887-88.	1888-89.	1889-90.	1890-91.	1891-92.	1892-93 (Revised).	1893-94 (Budget).
Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
2,068,700	2,618,300	1,695,600	1,333,900	1,082,900	1,391,900	1,174,900	1,242,400

SECTION V.—EXPENDITURE NOT CHARGED TO REVENUE.

Capital Expenditure on Railway Construction.

89. The following table gives the figures of the Estimates for 1892–93 and 1893–94 for Capital Expenditure on Railways, exclusive of sums found by Local Governments out of Provincial resources, the amounts charged to the Famine Grant and to the head "37—Construction of Railways" being included for convenience, although charged to Revenue:—

	India.	England.	Exchange.	TOTAL.
	Rx.	£.	Rx.	Rx.
1892-93, Budget Estimate - -	2,542,000	1,382,000	691,000	4,615,000
1892-93, Revised Estimate - -	2,880,300	1,068,000	640,800	4,589,100
1893-94, Budget Estimate - -	1,980,200	1,151,800	722,300	3,854,300

Of the totals shown above, the following amounts are taken as charges against the Famine Relief Grant, namely, in the Budget Estimate of 1892-93, Rx. 1,011,700; in the Revised Estimate, 1892-93, Rx. 993,900; and in 1893-94, Rx. 1,054,300.

The Capital Expenditure on Railways in 1892–93 will be less than the Budget Estimate by Rx. 25,900.

During the course of the year additional funds were allotted for the East Coast, Godhra-Rutlam, Tirhoot and East Indian Railways, but, on the other hand, the grant for the Assam-Bengal Railway was withdrawn on the transfer of that line to a Company, and the allotment was further reduced by the amount of the refund by that Company of the outlay incurred by the State in the previous year. The heaviest expenditure has been incurred on the East Coast, the Mu Valley, the Godhra-Rutlam, and the Mushkaf-Bolan lines. The Villupuram-Guntakal Section of the South-Indian Railway, the Dharmaveram-Hindupur Extension, and the Barsoe-Kishengunge Branch, will be practically completed at the close of this year.

The provision for 1893-94 is less than the estimated expenditure during 1892-93 by Rx. 734,800. Large grants have been allotted to the East Coast, Mushkaf-Bolan, Mu Valley, Godhra-Rutlam, and Bareilly-Rampur-Moradabad Railways, but, owing to the reduced grant available, work on the Mari-Attock line has been partially suspended. The funds allotted will, it is anticipated, be sufficient to advance work on the Godhra-Rutlam Railway and on the Jherriah Extension of the East Indian Railway, so as to admit of the lines being opened before the close of the year. A considerable length of the East Coast line will also be advanced sufficiently to admit of its being opened for public traffic, and the Lucknow-RaiBareli line will be practically completed during the year.

Increase in the open mileage of Railway since 1880.

The following figures show the rate at which railways have been constructed at the cost of, or on the responsibility of, the Government since 1880:—

Date.	Number of Miles Open.
31st March 1880 - - - - - - - - -	8,382
„ 1881 - - - - - - - - -	9,134
„ 1882 - - - - - - - - -	9,437
„ 1883 - - - - - - - - -	9,748
„ 1884 - - - - - - - - -	10,230
„ 1885 - - - - - - - - -	11,283
„ 1886 - - - - - - - -	11,634
„ 1887 - - - - - - - - -	12,536
„ 1888 - - - - - - - - -	13,448
„ 1889 - - - - - - - - -	14,184
„ 1890 - - - - - - - - -	14,832
„ 1891 - - - - - - - - -	15,621
„ 1892 - - - - - - - - -	16,018
„ 1893 (Estimate) - - - - - -	16,440

Expenditure on Railway Construction since 1879-80.

The following table gives the total Capital Outlay on Railway Construction up to date :—

	State Railways.	State Railways Constructed through the Agency of Companies.	Guaranteed Railways.	Total.	Annual Progress.
To end of—	Rx.	£.	£.		
1879-80 - - - -	27,983,837	—	96,829,969	124,813,806	--
1880-81 - - - -	67,201,066	—	66,348,478	133,549,544	8,735,738*
1881-82 - - - -	70,546,309	—	67,021,756	137,568,065	4,018,521
1882-83 - - - -	72,776,870	468,270	67,431,448	140,676,588	3,108,523
1883-84 - - - -	76,629,723	704,155	68,769,369	146,103,247	5,426,659
1884-85 - - - -	81,365,833	3,126,906	69,904,427	154,397,166	8,293,919
1885-86 - - - -	90,839,553	4,775,059	67,883,682	163,498,294	9,101,128†
1886-87 - - - -	108,456,220	7,915,378	57,046,325	173,417,923	9,919,629‡
1887-88 - - - -	110,788,941	12,979,680	57,694,898	181,463,519	8,045,596
1888-89 - - - -	111,990,360	18,097,843	58,313,774	188,401,977	6,938,458
1889-90 - - - -	124,058,103	20,410,257	49,385,293	193,853,653	5,451,676
1890-91 - - - -	131,920,346	21,793,709	45,091,263	198,805,318	4,951,665§
1891-92 - - - -	135,398,034	22,709,508	45,137,155	203,244,697	4,439,379
1892-93, Revised - - -	140,121,534	23,681,708	45,172,655	208,975,897	5,731,200
1893-94, Budget - - -	144,050,934	25,223,208	45,672,955	214,947,097	5,971,200

* Includes Rx. 2,790,140 on account of past expenditure on the East Indian Railway, which must be deducted to arrive at the normal annual progress.

† Includes Rx. 294,987 on account of Eastern Bengal Railway.

‡ Includes Rx. 1,007,244 on account of Scinde Punjab and Delhi Railway Company.

§ Includes Rx. 207,104 on account of South Indian Railway Company.

Capital Expenditure on Irrigation Works.

90. The figures of the Accounts and Estimates for Capital Expenditure on Irrigation Works not charged to Revenue are :—

Actuals, 1889-90.	Actuals, 1890-91.	Actuals, 1891-92.	Budget, 1892-93.	Revised, 1892-93.	Budget, 1893-94.
Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
378,932	483,849	729,664	550,000	550,000	750,000

The Revised Estimate for the current year agrees with the Budget Estimate. The increase in provision for the coming year is due to its having been decided to augment the provision for irrigation works in certain Provinces, owing to the excellent financial results obtained from them.

The

The Capital outlay on Major Irrigation Works to end of 1891-92 amounted to Rx. 28,158,459. The principal works in progress are :—

Distribution over the several works of the Capital Expenditure on Irrigation.

Name of Work.	Provision during	
	1892-93.	1893-94.
CAPITAL EXPENDITURE NOT CHARGED AGAINST REVENUE.	Rx.	Rx.
BENGAL:		
Orissa canals	37,800	42,500
Son canals	15,400	17,500
NORTH WESTERN PROVINCES AND OUDH:		
Ganges canal	13,500	19,100
Lower Ganges canal	17,100	35,100
PUNJAB:		
Western Jumna canal, including Sirsa Branch	75,800	90,300
Bari Doab canal	26,200	60,000
Sirhind canal	15,000	9,500
Chenab canal, including extension	153,000	180,000
MADRAS:		
Kistna Delta System	32,700	47,100
Periyar project	129,700	117,500
Other projects	51,800	156,300
	568,000	774,900
Deduct—outlay incurred from ordinary funds	18,000	24,900
TOTAL	550,000	750,000
Protective Irrigation Works	63,000	65,000
GRAND TOTAL	613,000	815,000

SECTION VI.—WAYS AND MEANS.—HOME TREASURY.

91. The Budget and Revised Estimates of the transactions of the Home Treasury for 1892-93 compare as follows :—

	Budget, 1892-93.	Revised, 1892-93.
Net Receipts.	£.	£.
Council Bills	17,000,000	17,200,000
3 per Cent. Stock issued	1,800,000	1,300,000
Capital Receipts from Railway Companies	1,788,200	1,547,700
Deposits and advances	4,600	—300
Add,—Opening Balance	3,261,050	4,122,626
TOTAL £.	23,853,850	24,170,026
Net Outgoings.		
Excess of Expenditure over Revenue	15,749,600	16,352,200
Capital expenditure of Government in England	1,385,700	1,076,200
Permanent Debt—		
Discharge of Oudh and Rohilkhund Railway Debentures	1,770,300	1,770,300
Discharge of South Indian Railway Debentures	150,000	150,000
5 per Cent. and 4 per Cent. Stock discharged	—	900
Issues to Railway Companies on Capital Account	1,430,300	950,600
On account of remittance from India	1,191,800	1,267,000
Add,—Closing Balance	2,176,150	2,602,826
TOTAL £.	23,853,850	24,170,026

1892-93, Council Bills.

The total estimate of the Secretary of State's drawings for the two years 1892–93 and 1893–94 is 35,900,000*l.* To reduce to some extent the very large drawings in 1893–94, the Secretary of State has raised the drawings of the current year above the Budget Estimate of 17,000,000*l.*, and it is now expected that 17,200,000*l.* will be drawn in 1892–93.

Sterling loans in 1892-93.

The Southern Mahratta Railway Company Debentures for 600,000*l.*, which it was intended, as stated in paragraph 99 of the last Financial Statement, to discharge on 31st March 1892 were renewed. The Secretary of State was consequently able to reduce the amount of the sterling loan of the year from 1,800,000*l.* to 1,300,000*l.* The loan was issued at an average price of 96*l.* 18*s.* 4½*d.* per cent.

1892-93, Capital transactions with Railway Companies.

92. The Capital transactions with the Railway Companies vary with the changes in the programmes of the Companies. The Estimates for 1892–93 as now prepared show an increase in the net receipts from the Companies of 239,200*l.* The following statement shows the details of the transactions :—

	Budget.	Revised.
RECEIPTS.		
On account of Subscribed Capital:	£.	£.
State:		
Bengal-Assam	1,500,000	1,179,000
Guaranteed:		
Great Indian Peninsula Railway	90,400	259,600
Madras Railway	197,800	100,000
On account of Transfer and Miscellaneous Refunds	—	9,100
TOTAL £.	1,788,200	1,547,700
ISSUES.		
For discharge of Debentures:		
Guaranteed:		
Great Indian Peninsula Railway	40,400	—
Madras Railway	97,800	—
For Stores, Establishment Charges, &c.:		
State:		
Bengal-Assam Railway	300,000	194,100
Bengal-Nagpur Railway	207,500	118,200
Indian Midland Railway	64,700	54,600
Southern Mahratta Railway	53,300	33,100
Other Railways	9,600	7,800
Guaranteed:		
Bombay Baroda and Central India Railway	120,000	122,700
Great Indian Peninsula Railway	435,000	352,800
Madras Railway	102,000	67,300
TOTAL £.	1,430,300	950,600

The Assam-Bengal Railway Company was expected to raise its whole capital of 1,500,000*l.* in 1892–93; 102,905*l.* was, however, paid in March 1892, and only 1,179,000*l.* is expected to be paid this year, leaving 218,095*l.* to be paid hereafter. The receipts from the Great Indian Peninsula Railway are now expected to exceed the Budget Estimate by 169,200*l.*, fresh Capital having

having been raised to the extent of 209,600*l.* in excess of the Estimate, while debentures for 40,400*l.* were renewed instead of being replaced by fresh capital. The reduction of 97,800*l.* in the Capital receipts from the Madras Railway Company represents the value of debentures renewed instead of being replaced.

The payments for discharge of debentures of the Great Indian Peninsula and Madras Railways, provided for in the Budget, were not required, owing to the renewal of the debentures, as already explained. The issues to the Companies for Expenditure depend necessarily on their actual requirements, which are not always foreseen with accuracy.

1892-93, Deposits and Advances.

The "Deposits and Advances" in 1892-93 are now expected to result in a net payment of 300*l.* instead of a net receipt of 4,600*l.*, owing to smaller recoveries and larger advances on account of Expenditure in England on Defence works at Aden recoverable from the Imperial Government.

1892-93, Remittances to India.

There has been a large increase in the family remittances from India in 1892-93, owing to the fall of the market rate of exchange considerably below the rate fixed for the year for the adjustment of such transactions, but this increase was partially counterbalanced by a falling-off in the remittances by Money Orders. The net remittances from India were also affected by larger repayments in England of advances on account of emigration of coolies and supplies to Her Majesty's ships of the East India Station, &c.

93. The following is the Budget Estimate of the Ways and Means of the Home Treasury for 1893-94:—

	Budget. 1893-94.
Net Receipts.	£.
Council Bills	18,700,000
Three per Cent. Stock to be issued	1,300,000
Capital Receipts from Railway Companies	1,420,000
Deposits and advances	2,200
Add—Opening Balance	2,602,826
TOTAL £.	24,025,026
Net Outgoings.	
Excess of expenditure over revenue	15,650,300
Capital expenditure of Government in England	1,160,600
Permanent Debt:—	
Discharge of Oudh and Rohilkhund Railway Debentures	729,000
South Indian Railway Debentures	520,200
Issues to Railway Companies on Capital Account	2,600,200
On account of remittances from India	1,383,200
Add—Closing Balance	1,972,526
TOTAL £.	24,025,026

1893-94, Council Bills.

It is now estimated that the drawings of the Secretary of State in 1893-94 will be 18,700,000*l.* The Budget Estimate of the current year provided for drawings amounting to 17,000,000*l.*

Capital transactions with Railway Companies.

The very large increase next year is almost fully explained by the variations in the capital transactions of Railway Companies in the two years. In the last Financial Statement, credit was taken for a net receipt in 1892-93 from Railway Companies of 357,000*l.*, whereas, according to the present Statement, there will be a net payment to the Companies in 1893-94 of 1,189,200*l.*

Sterling loan in 1893-94.

It is the present intention of the Secretary of State to raise a loan of 1,300,000*l.* in 1893-94 to be applied to the discharge of 729,000*l.* Oude and Rohilkund Railway Debentures, and 520,200*l.* South Indian Railway Debentures falling due during the course of the year.

It should be understood that, in stating the present intentions of the Secretary of State, no sort of pledge is given that he will adhere to the programme.

INDIA.

Ways and Means in India.

94. The following is the usual Statement of the Ways and Means Estimate of India :-

	1892-93.		1893-94.
	Budget.	Revised.	Budget.
NET RECEIPTS.	Rx.	Rx.	Rx.
1. Excess of revenue in India over the expenditure charged against it	23,771,000	25,081,700	23,869,800
2. Public Loan	—	—	3,000,000
3. Loan from Rampur State	250,000	250,000	220,000
4. Increase of the Unfunded Debt—mostly Savings Banks Deposits	869,000	1,056,100	882,200
5. Other Items	421,500	1,406,400	695,500
6. *For remittance to Secretary of State*	1,175,700	1,208,000	1,374,200
Add—Opening Balance	16,750,044	17,287,005	15,204,205
TOTAL	43,237,244	46,289,205	45,245,905
NET OUTGOINGS.			
7. Expenditure charged to Provincial Balances	1,161,700	363,800	751,200
8. Capital Expenditure of Government in India	1,956,500	2,264,800	1,661,600
9. Loans to Municipalities, &c.	611,500	842,700	*—288,200*
10. *Issues on Capital Account to Railway Companies*	408,500	*—29,400*	376,400
11. Council Bills—*Sterling Amount*	17,166,500	17,301,300	18,522,100
12. Ditto - - Exchange	8,633,700	10,341,800	11,579,700
Add—Closing Balance	13,298,844	15,204,205	12,643,105
TOTAL	43,237,244	46,289,205	45,245,905

The headings in *italics* are connected with, and explained by, the corresponding figures of the Secretary of State's account in England. The others refer to purely Indian transactions.

8. Ways and Means in India in 1892-93. Main features.

95. We expect to close the year 1892-93 with a cash balance of Rx. 15,204,205 against 13,298,844 taken in the Budget Estimates of the year, being an improvement of Rx. 1,905,361. The more important items of variation from the Budget Estimates are:—

On

On the one hand, an increase of Rx. 1,842,900 in the payments of Council Bills. For the bulk of this the fall in exchange is responsible, the sterling drawings having been increased by 200,000*l.* only.

And, on the other hand, an increase in the net revenue in India of Rx. 1,310,700, a reduction in the drawings of Provincial Governments on their accumulated balances of Rx. 797,900, a net receipt from Railway Companies of Capital Account of Rx. 29,400 instead of the net payment of Rx. 408,500 which was anticipated, an increase in the opening balance of Rx. 536,961, and other improvements in the net cash receipts which, though large in the aggregate, would require too much detail to be explained here.

Ways and Means in India in 1893-94. Main features.

96. In 1893-94 we have to provide for the payment of Council Bills Rx. 4,301,600 more than was required in the Budget Estimate of 1892-93, about one-half of this being caused by the increase in the sterling drawings and one-half by the fall in the rate of exchange.

To meet this very heavy demand on our cash balances, we have a repayment of a loan of Rx. 616,100 by the Bombay Port Trust, a reduction of Rx. 410,500 in the excess of Provincial and Local Expenditure over Revenue, and some other improvements in net cash receipts.

For the remainder of the increased demand on the balances provision has been made by the entry of a loan of Rx. 3,000,000.

Council Bills, 1893-94.

97. As already explained in paragraphs 35 and 93, the increase in the amount of the Bills of the Secretary of State is not due to any increase in the sterling expenditure of the Government of India, but to the fact that, whereas the Secretary of State this year received from Railway Companies on Capital Account more than he paid, the reverse will be the case in 1893-94.

Public Loan

98. No public loan has been raised in India since 1889-90. The present estimates provide for a loan of three crores in 1893-94. But the Government of India are unable to say whether this is the exact amount that will be raised, and full liberty is reserved, as usual, to modify the present estimates to any extent that may be considered expedient, to increase or reduce the amount of the loan if necessary, and not to issue a loan at all if it should be found that none is required.

Savings Banks.

99. The following are the usual details of the transactions of Savings Banks during the last few years:—

Year.	Net Additions to Deposits (Cash).	Interest.	Total Addition.
	Rx.	Rx.	Rx.
1887-88 - - - -	656,300	224,000	880,300
1888-89 - - - -	685,200	261,800	947,000
1889-90 - - - -	—362,900	272,200	—90,700
1890-91 - - - -	250,700	279,700	530,400
1891-92 - - -	517,900	306,200	824,100
1892-93 Budget - -	459,400	333,800	793,200
1892-93 (Revised) - -	636,800	340,400	977,200
1893-94 Budget - -	438,600	372,400	811,000

The Post Office Savings Banks deposits continue to increase. The Budget Estimate for 1893-94 is taken at about the same amount as in that of 1892-93.

Loans to Municipalities, &c.

100. As stated in paragraphs 34 and 75, the Bombay Port Trust have taken advantage of the favourable state of the money market to raise a 4 per cent. public loan to repay Government the balance of a 4½ per cent. loan of Rx. 616,100. Excluding this special receipt in 1893-94, the net amount of advances in 1893-94 is taken at Rx. 327,900, against Rx. 611,500 entered in the Estimate of 1892-93. The gross amount placed at the disposal of Local Governments and Administrations for advances to Local Bodies, etc., in 1893-94 is Rx. 608,200, being Rx. 54,700 less than the amount entered in the Budget Estimate of the current year. Larger amounts, if available, could be advantageously allotted for advances and loans to cultivators and municipalities, but unfortunately the state of the Government balances does not permit of further amounts being granted at present. The large excess over the Budget of the amount entered in the Revised Estimate of 1892-93 on account of loans to municipalities, etc., is due chiefly to an additional loan having been sanctioned during the year for the Kidderpore Docks, and also to increased advances to agriculturists in Madras and Bombay.

Capital of Railway Companies.

101. The capital transactions of Railway Companies in 1892-93 are now expected to produce a net receipt in India of Rx. 29,400, instead of a net payment of Rx. 408,500 provided in the Budget Estimate. This is due generally to smaller withdrawals by the companies, and to some extent to the receipt from the Mysore Durbar of Rx. 44,300, being the value of the Nanjangod extension of the Mysore Railway.

Cash balances.

102. The current year is now expected to close with a cash balance of Rx. 15,204,205, and for 1893-94 a closing balance of Rx. 12,643,105 is taken. The estimated transactions of the year thus result in a reduction in the balances of Rx. 2,561,100.

SECTION VII.—SUMMARY.

103. The principal features in this Statement are :—

(*a*) The Accounts of 1891-92 have closed with a surplus of Rx. 467,535.

(*b*) The Revised Estimates of 1892-93 show a deficit of Rx. 1,081,900, against the surplus of Rx. 146,600 shown in the Budget Estimates of the year. The sterling Expenditure has considerably exceeded the Budget Estimates ; the expenditure in India has on the whole been less than the Estimates, a considerable increase in Military Expenditure having been more than counterbalanced by a large saving in Opium Expenditure in consequence of the failure of the crop : the Revenue has shown satisfactory progress. If the rate of exchange taken in the Budget Estimate, 1*s.* 4*d.* the rupee, had been realised, there would have been a surplus somewhat higher than that shown in the Budget Estimates. But the fall in the rate of exchange to 1*s.* 3*d.* has caused an increase of Expenditure of Rx. 1,635,300, and converted the surplus into a heavy deficit.

(*c*) The Budget Estimates of 1893-94 show a deficit of Rx. 1,595,100.

(*d*) The main cause of the deficit of Rx. 1,595,100 is the fall in the rate of exchange. The currency question is now under the consideration of the Secretary of State. Till he has decided what action, if any, should be taken in regard to the currency, it is impossible to say whether the deficit in the coming year will be of the amount shown in the Budget Estimate, or whether it will be largely increased, or will disappear and become a surplus. The decision of the Secretary of State is expected to be not much longer delayed, and, in the circumstances just stated, the Government of India have postponed for the present the determination of the measures to be taken to place the finances in equilibrium.

(*e.*) The

(*e*) The rate of exchange is taken at 1*s.* 2$\frac{1}{2}$*d.*, and at that rate the direct addition to the expenditure caused by the fall from 1*s.* 4*d.* is estimated at Rx. 1,989,400.

(*f*) The sterling Expenditure will be somewhat less than in the Budget Estimate of 1892-93. The Expenditure in India will, on the other hand, be considérably higher. The estimate of net revenue from Opium is taken at Rx. 5,061,200, being lower than the amount taken for any of the last 22 years. A substantial improvement in Railway Revenue and in the Revenues generally is anticipated.

(*g*) The Capital Expenditure on Railways and Irrigation Works, not charged against Revenue, is estimated at Rx. 3,986,700 in 1893-93, and at Rx. 3,550,000 in 1893-94. These sums are in addition to Rx. 1,215,400 charged against Revenue and the Famine Grant in 1892-93, and Rx. 1,119,300 charged against the Famine Grant in 1893-94.

(*h*) It is expected that the Secretary of State will in 1893-94 sell Council Bills to the amount of 18,700,000*l.*, and raise a loan of 1,300,000*l.* for the discharge of Railway Debentures. These announcements are accompanied by the usual reservation of entire liberty to the Secretary of State to vary the amounts to be obtained by bills or raised by loan, as he may find occasion.

(*i*) The Estimates provide for the issue of a loan in India of Rx. 3,000,000. Full liberty is, however, reserved to the Government of India to raise a smaller or a larger loan, or not to raise a loan at all if it should appear later that none is required.

(*j*) The dominant factor influencing the financial position of India at the present time is the rate of Exchange. If that rate rises as high as 1*s.* 4*d.*, the deficit shown in the Budget Estimates will disappear. If it falls still further, the deficit will be further increased; it is impossible for the Government of India to decide what measures should be taken for the restoration of financial equilibrium, until the Home authorities have given their decision on the currency question.

D. Barbour.

Calcutta, 23rd March 1893.

APPENDIX.

ACCOUNTS AND ESTIMATES.

ACCOUNTS - - - - -	1891-92.
REVISED ESTIMATES - - -	1892-93.
BUDGET ESTIMATES - - -	1893-94.

CONTENTS.

	PAGES
General Statement of the Accounts and Estimates of the Revenue and Expenditure, and Receipts and Disbursements, of the Government of India, in India and in England - - - - - - - - - - - - - - - -	56
A.—Statement of the Revenue of India, in India and in England - - - - -	58
B.—Statement of the Expenditure chargeable on the Revenues of India, in India and in England - - - - - - - - - - - - - - -	60
C.—Statement of Receipts and Disbursements of the Government of India, in India and in England - - - - - - - - - - - - - - -	64
D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Contracts - -	66
E.—Statement of Net Revenue and Expenditure, India and England - - -	68

GENERAL STATEMENT of the ACCOUNTS and ESTIMATES of the GOVERNMENT OF INDIA,

	For Details, *vide* Statement.	RECEIPTS.			
		Accounts, 1891-92.	Budget Estimate, 1892-93.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.
REVENUE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Principal Heads of Revenue:					
Land Revenue	A.	23,965,774	24,675,500	24,852,600	25,157,200
Opium	—	8,012,380	7,634,600	7,966,500	7,316,200
Salt	—	8,636,182	8,544,700	8,648,600	8,587,800
Stamps	—	4,262,156	4,229,600	4,458,200	4,434,100
Excise	—	5,117,264	5,102,400	5,203,600	5,145,900
Other Heads	—	9,523,293	9,681,600	9,802,500	9,849,300
TOTAL, PRINCIPAL HEADS	—	59,517,049	59,868,400	60,937,000	60,490,500
Interest	A.	879,443	911,000	868,600	893,600
Post Office, Telegraph, and Mint	„	2,575,736	2,618,000	2,755,500	2,720,800
Receipts by Civil Departments	„	1,656,157	1,615,800	1,660,800	1,635,500
Miscellaneous	„	897,284	959,900	898,400	982,900
Railways	„	19,938,046	18,832,700	19,064,200	19,551,700
Irrigation	„	2,272,040	2,216,700	2,404,300	2,337,700
Buildings and Roads	„	627,124	606,400	639,100	623,900
Receipts by Military Department	„	780,404	739,000	793,300	769,100
TOTAL REVENUE	—	89,148,283	88,367,900	90,021,200	90,005,700
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net incurred)	C.	3,038,293	127,700	—	3,265,800
Unfunded Debt (net incurred)	„	899,359	869,000	1,056,100	882,200
Deposits and Advances (net)	„	1,480,280	—	454,100	—
Loans and Advances by Imperial Government (net Receipts)	„	—	—	—	564,400
Capital of Railway Companies (net Receipts)	„	—	—	626,500	—
Remittances (net)	„	116,140	—	649,500	—
Secretary of State's Bills drawn	„	16,093,854	17,000,000	17,200,000	18,700,000
TOTAL RECEIPTS	—	110,771,209	106,364,600	110,007,400	113,418,100
Balance on 1st April—India	—	17,876,244	16,750,044	17,287,005	15,204,205
England	—	3,835,050	3,261,050	4,122,626	2,602,826
GRAND TOTAL	—	132,482,503	126,375,694	131,417,031	131,225,131

Fort William, Finance and Commerce Department,
23rd March 1893.

H. G. Cowie,
Deputy Comptroller General.

REVENUE and EXPENDITURE, and RECEIPTS and DISBURSEMENTS, of the in INDIA and in ENGLAND.

	For Details *vide* Statement.	DISBURSEMENTS. Accounts, 1891-92.	Budget Estimate, 1892-93.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.
EXPENDITURE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Direct Demands on the Revenues	B.	9,547,162	10,286,600	9,463,600	10,387,300
Interest	,,	4,315,176	3,977,100	4,343,200	4,065,900
Post Office, Telegraph, and Mint	,,	2,429,188	2,547,900	2,528,400	2,609,300
Salaries and Expenses of Civil Departments	,,	13,853,842	14,132,500	14,344,100	14,472,000
Miscellaneous Civil Charges	,,	5,046,622	5,170,900	5,559,100	5,538,100
Famine Relief and Insurance	,,	1,268,319	1,206,700	1,193,700	1,159,800
Construction of Railways (charged against Revenue, in addition to that under Famine Insurance)	,,	163,233	301,500	292,900	75,100
Railway Revenue Account	,,	20,253,910	20,407,200	20,775,000	21,545,800
Irrigation	,,	2,945,019	2,919,500	2,982,300	2,860,100
Buildings and Roads	,,	6,208,752	5,920,100	5,927,400	6,090,600
Army Services	,,	22,280,601	21,898,500	23,557,900	23,011,400
Special Defence Works	,,	604,848	614,500	559,300	536,600
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL	–	88,916,672	89,383,000	91,466,900	92,352,000
Add—Provincial Surpluses, that is, portion of Allotments to Provincial Governments not spent by them in the year	End of B.	178,637	—	100,500	—
Deduct—Provincial Deficits, that is, portion of Provincial Expenditure defrayed from Provincial Balances	,,	—419,561	— 1,161,700	— 464,300	—751,200
TOTAL EXPENDITURE charged against REVENUE	–	88,675,748	88,221,300	91,103,100	91,600,800
EXPENDITURE NOT CHARGED TO REVENUE:					
Capital Outlay on Railways and Irrigation Works	End of B.	3,500,000	4,035,000	3,986,700	3,550,000
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net Discharged)	C.	—	—	376,200	—
Deposits and Advances (net)	,,	—	799,700	—	1,085,800
Loans and Advances by Imperial Government (net Advances)	,,	488,787	178,800	340,500	—
Loans and Advances by Provincial Governments	,,	465,405	432,700	502,200	276,200
Capital of Railway Companies (net Payments)	,,	1,146,392	50,600	—	1,565,600
Remittances (net)	,,	—	16,100	—	9,000
Secretary of State's Bills paid	,,	16,796,540	17,166,500	17,301,300	18,522,100
TOTAL DISBURSEMENTS	–	111,072,872	110,900,700	113,610,000	116,609,500
Balance on 31st March—India	–	17,287,005	13,298,844	15,204,205	12,643,105
England	–	4,122,626	2,176,150	2,602,826	1,972,526
GRAND TOTAL	–	132,482,503	126,375,694	131,417,031	131,225,131

	Rx.	*Rx.*	*Rx.*	*Rx.*
Revenue	89,143,283	88,367,900	90,021,200	90,005,700
Expenditure chargeable thereon	88,675,748	88,221,300	91,103,100	91,600,800
Surplus (+) or Deficit (—)	+ 467,535	+ 146,600	—1,081,900	— 1,595,100

Stephen Jacob,
Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

HEADS OF REVENUE.	ACCOUNTS, 1891–92.					REVISED	
	India.		England.	Exchange.* 1 *s.* 4·733 *d.*	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
PRINCIPAL HEADS OF REVENUE:	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—Land Revenue	14,484,609	9,481,165	- -	- -	23,965,774	15,869,900	8,987,700
II.—Opium	8,012,380	- -	- -	- -	8,012,380	7,966,500	- -
III.—Salt	8,607,619	28,563	- -	- -	8,636,182	8,617,400	31,200
IV.—Stamps	1,248,783	3,013,373	- -	- -	4,262,156	1,176,500	3,281,700
V.—Excise	3,826,759	1,290,505	- -	- -	5,117,264	3,941,800	1,261,800
VI.—Provincial Rates	657	3,502,180	- -	- -	3,502,837	600	3,645,100
VII.—Customs	1,686,126	15,162	- -	- -	1,701,288	1,600,000	16,800
VIII.—Assessed Taxes	946,701	706,122	- -	- -	1,652,823	966,400	716,700
IX.—Forest	752,164	738,418	- -	- -	1,490,582	947,600	680,000
X.—Registration	201,209	198,593	- -	- -	399,802	216,700	214,000
XI.—Tributes from Native States	775,961	- -	- -	- -	775,961	798,600	- -
Total	40,542,968	18,974,081	- -	- -	59,517,049	42,102,000	18,835,000
XII.—INTEREST	685,173	110,415	58,466	25,389	879,443	708,300	121,900
POST OFFICE, TELEGRAPH, AND MINT:							
XIII.—Post Office	1,438,589	7,766	- -	- -	1,446,355	1,483,900	7,500
XIV.—Telegraph	900,927	415	12,545	5,448	919,335	922,500	- -
XV.—Mint	210,046	- -	- -	- -	210,046	326,400	- -
Total	2,549,562	8,181	12,545	5,448	2,575,736	2,732,800	7,500
RECEIPTS BY CIVIL DEPARTMENTS:							
XVI.—Law and Justice { Courts	24,153	351,690	- -	- -	375,843	27,300	349,600
XVI.—Law and Justice { Jails	39,728	271,569	- -	- -	311,297	41,300	261,300
XVII.—Police	19,924	361,616	- -	- -	381,540	18,600	367,900
XVIII.—Marine	90,526	131,888	- -	- -	222,414	103,100	127,300
XIX.—Education	1,086	210,638	- -	- -	211,724	1,300	207,400
XX.—Medical	347	59,447	2,309	1,003	63,106	400	62,900
XXI.—Scientific and other Minor Departments.	10,055	79,452	506	220	90,233	10,000	77,400
Total	185,819	1,466,300	2,815	1,223	1,656,157	202,000	1,453,800
MISCELLANEOUS:							
XXII.—Receipts in aid of Superannuation, &c.	165,495	51,728	100,605	43,689	361,517	153,100	45,900
XXIII.—Stationery and Printing	26,052	57,356	- -	- -	83,408	30,900	49,600
XXIV.—Exchange	31,529	- -	- -	- -	31,529	57,800	- -
XXV.—Miscellaneous	107,839	294,993	12,549	5,449	420,830	94,200	293,200
Total	330,915	404,077	113,154	49,138	897,284	336,000	388,700
RAILWAYS:							
XXVI.—State Railways (Gross Receipts)	14,323,729	2,087,875	230	100	16,411,934	14,747,700	1,031,400
XXVII.—Guaranteed Companies (Net Traffic Receipts).	3,493,118	- -	- -	- -	3,493,118	3,260,000	- -
XXVIII.—Subsidised Companies (Repayment of Advances of Interest).	31,567	- -	995	432	32,994	23,500	- -
Total	17,848,414	2,087,875	1,225	532	19,938,046	18,031,200	1,031,400
IRRIGATION:							
XXIX.—Major Works: Direct Receipts	662,793	741,944	- -	- -	1,404,737	753,900	733,300
Portion of Land Revenue due to Irrigation.	673,189	- -	- -	- -	673,189	725,600	- -
XXX.—Minor Works and Navigation	46,337	147,777	- -	- -	194,114	44,100	147,400
Total	1,382,319	889,721	- -	- -	2,272,040	1,523,600	880,700
BUILDINGS AND ROADS:							
XXXI.—Military Works	49,794	- -	- -	- -	49,794	42,500	- -
XXXII.—Civil Works	11,800	526,523	27,197	11,810	577,330	12,100	540,700
Total	61,594	526,523	27,197	11,810	627,124	54,600	540,700
RECEIPTS BY MILITARY DEPARTMENT:							
XXXIII.—Army: Effective	653,700	- -	35,211	15,291	704,202	673,100	- -
Non-effective	65,723	- -	7,306	3,173	76,202	59,700	- -
Total	719,423	- -	42,517	18,464	780,404	732,800	- -
TOTAL REVENUES	64,306,187	24,467,173	257,919	112,004	89,143,283	66,423,300	23,259,700

* The columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England, Exchange thereon calculated in accordance with the average rate obtained, or estimated to be obtained, for Bills and Telegraphic Transfers sold during the year.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1892-93.			Increase + Decrease — of Revised, as compared with Budget Estimate, 1892-93.	BUDGET ESTIMATE, 1893-94.					Increase + Decrease — of Budget, 1893-94, as compared with Budget Estimate, 1892-93.	Increase + Decrease — of Budget, 1893-94, as compared with Revised Estimate, 1892-93.
				India.						
England.	Exchange.* 1 *s.* 3 *d.*	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.* 1 *s.* 2⅜ *d.*	TOTAL.		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
- -	- -	24,857,600	+ 182,100	16,065,600	9,091,600	- -	- -	25,157,200	+ 481,700	+ 299,600
- -	- -	7,966,500	+ 331,900	7,316,200	- -	- -	- -	7,316,200	— 318,400	— 650,300
- -	- -	8,648,600	+ 103,900	8,556,600	31,200	- -	- -	8,587,800	+ 43,100	— 60,800
- -	- -	4,458,200	+ 228,600	1,173,000	3,261,100	- -	- -	4,434,100	+ 204,500	— 24,100
- -	- -	5,203,600	+ 101,200	3,898,500	1,247,400	- -	- -	5,145,900	+ 43,500	— 57,700
- -	- -	3,645,700	+ 22,600	4,800	3,702,300	- -	- -	3,707,100	+ 84,000	+ 61,400
- -	- -	1,616,800	— 75,000	1,648,700	16,500	- -	- -	1,665,200	— 26,600	+ 48,400
- -	- -	1,683,100	+ 37,900	966,200	721,000	- -	- -	1,687,200	+ 42,000	+ 4,100
- -	- -	1,627,600	+ 60,400	913,600	675,200	- -	- -	1,588,800	+ 21,600	— 38,800
- -	- -	430,700	+ 38,500	216,200	213,100	- -	- -	429,300	+ 37,100	— 1,400
- -	- -	798,600	+ 36,500	771,700	- -	- -	- -	771,700	+ 9,600	— 26,900
- -	- -	60,937,000	+ 1,068,600	41,531,100	18,959,400	- -	- -	60,490,500	+ 622,100	— 446,500
24,000	14,400	868,600	— 42,400	721,600	139,500	20,000	12,500	893,600	— 17,400	+ 25,000
- -	- -	1,491,400	— 7,000	1,531,400	7,400	- -	- -	1,538,800	+ 40,400	+ 47,400
9,500	5,700	937,700	+ 45,100	942,500	- -	5,500	3,500	951,500	+ 58,900	+ 13,800
- -	- -	326,400	+ 99,400	230,500	- -	- -	- -	230,500	+ 3,500	— 95,900
9,500	5,700	2,755,500	+ 137,500	2,704,400	7,400	5,500	3,500	2,720,800	+ 102,800	— 34,700
- -	- -	376,900	+ 12,400	23,800	353,400	- -	- -	377,200	+ 12,700	+ 300
- -	- -	302,600	— 8,000	45,300	267,000	- -	- -	312,300	+ 1,700	+ 9,700
- -	- -	386,500	+ 20,000	15,200	355,600	- -	- -	370,800	+ 4,300	— 15,700
- -	- -	230,400	+ 10,900	86,000	126,600	- -	- -	212,600	— 6,900	— 17,800
- -	- -	208,700	— 4,800	1,500	210,200	- -	- -	211,700	— 1,800	+ 3,000
2,600	1,600	67,500	+ 3,300	500	62,500	2,000	1,300	66,300	+ 2,100	— 1,200
500	300	88,200	+ 11,200	7,700	76,400	300	200	84,600	+ 7,600	— 3,600
3,100	1,900	1,660,800	+ 45,000	180,000	1,451,700	2,300	1,500	1,635,500	+ 19,700	— 25,300
101,000	60,600	360,600	+ 6,700	144,000	43,500	97,900	61,400	346,800	— 7,100	— 13,800
- -	- -	80,500	+ 6,500	32,400	50,400	- -	- -	82,800	+ 8,800	+ 2,300
- -	- -	57,800	— 120,700	180,000	- -	- -	- -	180,000	+ 1,500	+ 122,200
7,600	4,500	399,500	+ 46,000	86,100	283,100	2,500	1,600	373,300	+ 19,800	— 26,200
108,600	65,100	898,400	— 61,500	442,500	377,000	100,400	63,000	982,900	+ 23,000	+ 84,500
200	100	15,779,400	+ 235,500	15,238,200	1,053,000	200	100	16,291,500	+ 747,600	+ 512,100
- -	- -	3,260,000	- -	3,235,000	- -	- -	- -	3,235,000	— 25,000	— 25,000
800	500	24,800	— 4,000	23,600	- -	1,000	600	25,200	— 3,600	+ 400
1,000	600	19,064,200	+ 231,500	18,496,800	1,053,000	1,200	700	19,551,700	+ 719,000	+ 487,500
- -	- -	1,487,200	+ 164,000	628,700	695,000	- -	- -	1,323,700	+ 500	— 163,500
- -	- -	725,600	+ 21,200	815,600	- -	- -	- -	815,600	+ 111,200	+ 90,000
- -	- -	191,500	+ 2,400	46,300	152,100	- -	- -	198,400	+ 9,300	+ 6,900
- -	- -	2,404,300	+ 187,600	1,490,600	847,100	- -	- -	2,337,700	+ 121,000	— 66,600
- -	- -	42,500	+ 400	42,700	- -	- -	- -	42,700	+ 600	+ 200
27,400	16,400	596,600	+ 32,300	12,400	521,800	28,900	18,100	581,200	+ 16,900	— 15,400
27,400	16,400	639,100	+ 32,700	55,100	521,800	28,900	18,100	623,900	+ 17,500	— 15,200
29,000	17,400	719,500	+ 46,800	651,000	- -	26,200	16,400	693,600	+ 20,900	— 25,900
8,800	5,300	73,800	+ 7,500	60,900	- -	9,000	5,600	75,500	+ 9,200	+ 1,700
37,800	22,700	793,300	+ 54,300	711,900	- -	35,200	22,000	769,100	+ 30,100	— 24,200
211,400	126,800	90,021,200	+ 1,653,300	66,334,000	23,356,900	193,500	121,300	90,005,700	+ 1,637,800	— 15,500

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1891-92.					REVISED	
	India.		England.	Exchange.* 1 *s.* 4·733 *d.*	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
DIRECT DEMANDS ON THE REVENUES:	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
1.—Refunds and Drawbacks	179,543	74,810	- -	- -	254,353	183,300	74,600
2.—Assignments and Compensations	571,725	960,135	- -	- -	1,531,860	540,000	977,500
Charges in respect of Collection, viz.:							
3.—Land Revenue	356,551	3,477,542	720	313	3,835,126	370,400	3,584,700
4.—Opium (including Cost of Production)	1,860,772	- -	726	315	1,861,813	1,593,000	- -
5.—Salt (including Cost of Production)	443,444	14,514	750	326	459,034	398,800	65,400
6.—Stamps	669	88,862	34,105	14,811	138,447	— 25,800	116,000
7.—Excise	142,120	47,901	53	23	190,097	147,400	46,700
8.—Provincial Rates	- -	58,703	- -	- -	58,703	- -	58,300
9.—Customs	52,262	84,052	34	15	136,363	52,600	87,200
10.—Assessed Taxes	15,327	14,250	- -	- -	29,577	15,200	15,200
11.—Forest	394,809	448,053	742	322	843,926	494,900	398,000
12.—Registration	104,386	103,477	- -	- -	207,863	106,600	105,500
Total	4,121,608	5,372,299	37,130	16,125	9,547,162	3,877,300	5,529,100
INTEREST:							
13.—Interest on Debt † other than that charged to Railways and Irrigation Works.	— 22,177	76,545	2,639,288	1,146,144	3,839,800	— 162,300	95,900
14.—Interest on other Obligations	472,820	2,474	57	25	475,376	512,700	3,200
Total	450,643	79,019	2,639,345	1,146,169	4,315,176	350,400	99,100
POST OFFICE, TELEGRAPH, AND MINT:							
15.—Post Office	1,242,030	113,179	96,321	41,829	1,493,359	1,281,300	114,500
16.—Telegraph	611,552	385	158,118	68,665	838,720	635,500	- -
17.—Mint	80,809	- -	11,365	4,935	97,109	95,800	- -
Total	1,934,391	113,564	265,804	115,429	2,429,188	2,012,600	114,500
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:							
18.—General Administration	607,194	826,229	249,532	108,362	1,791,317	615,700	856,300
19.—Law and Justice { Courts	109,603	2,729,488	639	277	2,840,007	115,400	2,758,000
19.—Law and Justice { Jails	153,514	746,218	- -	- -	899,732	157,200	759,200
20.—Police	775,529	3,093,081	- -	- -	3,868,610	704,300	3,151,700
21.—Marine (including River Navigation)	278,821	157,732	133,447	57,951	627,951	332,600	147,400
22.—Education	22,549	1,399,770	1,727	750	1,424,796	23,100	1,420,100
23.—Ecclesiastical	161,014	- -	406	176	161,596	167,800	- -
24.—Medical	35,808	839,599	6,468	2,809	884,684	38,600	881,300
25.—Political	674,130	56,568	25,806	11,207	767,711	713,600	75,300
26.—Scientific and other Minor Departments	388,606	155,958	29,893	12,981	587,438	243,800	158,500
Total	3,206,768	10,004,643	447,918	194,513	13,853,842	3,112,100	10,207,800
MISCELLANEOUS CIVIL CHARGES:							
27.—Territorial and Political Pensions	480,189	- -	54,223	23,547	557,959	494,600	- -
28.—Civil Furlough and Absentee Allowances	657	- -	192,228	83,477	276,362	1,200	- -
29.—Superannuation Allowances and Pensions	85,636	762,870	1,726,046	749,557	3,324,109	78,400	794,900
30.—Stationery and Printing	95,890	448,050	41,098	17,847	602,885	85,900	457,000
32.—Miscellaneous	58,497	172,803	37,655	16,352	285,307	50,900	154,700
Total	720,869	1,383,723	2,051,250	890,780	5,046,622	711,000	1,406,600
FAMINE RELIEF AND INSURANCE:							
33.—Famine Relief	6,187	17,236	- -	- -	23,423	16,100	60,700
34.—Construction of Protective Railways	484,795	- -	- -	- -	484,795	993,900	- -
35.—Construction of Protective Irrigation Works	75,453	- -	1,728	750	77,931	57,200	- -
36.—Reduction of Debt	682,170	- -	- -	- -	682,170	- -	- -
Total‡	1,248,605	17,236	1,728	750	1,268,319	1,067,200	60,700
Carried over	11,682,884	16,970,484	5,443,175	2,363,766	36,460,309	11,130,600	17,417,800

* See foot-note to Statement A.

† The "Interest on Debt" is distributed as follows:—

	ACCOUNTS, 1891-92.			
	India.	England.	Exchange.	TOTAL.
	Rx.	£.	*Rx.*	*Rx.*
Interest on Debt (other than that charged to Railways and Irrigation Works) as above	54,368	2,639,288	1,146,144	3,839,800
Under Railway Revenue Account	3,004,576	1,163,871	505,425	4,673,872
Under Irrigation	1,109,678	- -	- -	1,109,678
TOTAL	4,168,622	3,803,159	1,651,569	9,623,350

‡ The following further sums, which are included under XXVI. and 38 State Railways, are chargeable to the grant for Famine Relief and Insurance, as representing the net charge on the Revenues on account of Protective railways constructed through the agency of Companies:—

	Accounts, 1891-92.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.
	Rx.	*Rx.*	*Rx.*
Indian Midland Railway	189,057	232,900	223,500
Bengal-Nagpur Railway	42,624	133,400	116,700
TOTAL	231,681	366,300	340,200

Revenues of India, in India and in England.

ESTIMATE, 1892-93.			Increase + Decrease — of Revised as compared with Budget Estimate, 1892-93.	BUDGET ESTIMATE, 1893-94.					Increase + Decrease — of Budget, 1893-94, as compared with Budget Estimate, 1892-93.	Increase + Decrease — of Budget, 1893-94, as compared with Revised Estimate, 1892-93.
				India.						
England.	Exchange.* 1 s. 3 d.	Total.		Imperial.	Provincial and Local.	England.	Exchange.* 1 s. 2⅜ d.	Total.		
£.	Rx.	Rx.	Rx.	Rx.	Rx.	£.	Rx.	Rx.	Rx.	Rx.
- -	- -	257,900	+ 15,200	158,500	66,400	- -	- -	224,900	— 17,800	— 33,000
- -	- -	1,517,500	+ 1,800	505,500	972,400	- -	- -	1,477,900	— 37,800	— 39,600
600	400	3,956,100	— 74,900	391,500	3,719,800	600	400	4,112,300	+ 81,300	+ 156,200
700	400	1,595,000	—639,800	2,253,900	- -	700	400	2,255,000	+ 20,200	+ 660,000
700	400	465,300	— 32,200	443,000	66,800	600	400	510,800	+ 13,300	+ 45,500
32,000	19,200	141,400	+ 500	—28,400	119,000	39,400	24,700	154,700	+ 13,800	+ 13,300
- -	- -	194,100	— 12,000	157,900	50,900	- -	- -	208,800	+ 2,700	+ 14,700
- -	- -	58,300	— 1,200	- -	53,500	- -	- -	53,500	— 6,000	— 4,800
100	- -	139,900	— 2,400	53,000	91,500	200	100	144,800	+ 2,500	+ 4,900
- -	- -	30,400	— 1,400	16,400	16,000	- -	- -	32,400	+ 600	+ 2,000
1,700	1,000	895,600	— 74,900	551,300	437,400	900	600	990,200	+ 19,700	+ 94,600
- -	- -	212,100	— 1,700	111,600	110,400	- -	- -	222,000	+ 8,200	+ 9,900
35,800	21,400	9,463,600	—823,000	4,614,200	5,704,100	42,400	26,600	10,387,300	+ 100,700	+ 923,700
2,433,400	1,460,000	3,827,000	+356,500	—491,500	111,500	2,394,200	1,501,500	3,515,700	+ 45,200	— 311,300
200	100	516,200	+ 9,600	546,900	3,000	200	100	550,200	+ 43,600	+ 34,000
2,433,600	1,460,100	4,343,200	+366,100	55,400	114,500	2,394,400	1,501,600	4,065,900	+ 88,800	— 277,300
94,900	56,900	1,547,600	— 7,800	1,307,400	120,000	98,900	62,000	1,588,300	+ 32,900	+ 40,700
144,800	86,900	867,200	— 10,000	681,000	- -	144,900	90,900	916,800	+ 39,600	+ 49,600
11,100	6,700	113,600	— 1,700	93,000	- -	6,900	4,300	104,200	— 11,100	— 9,400
250,800	150,500	2,528,400	— 19,500	2,081,400	120,000	250,700	157,200	2,609,300	+ 61,400	+ 80,900
256,200	153,700	1,881,900	+ 50,300	622,800	855,800	248,300	155,700	1,882,600	+ 51,000	+ 700
600	400	2,874,400	+ 13,800	118,100	2,782,400	1,300	800	2,902,600	+ 42,000	+ 28,200
- -	- -	916,400	+ 7,500	161,100	772,500	- -	- -	933,600	+ 24,700	+ 17,200
- -	- -	3,856,000	— 54,000	715,600	3,243,900	600	400	3,960,500	+ 50,500	+ 104,500
301,100	180,700	961,800	+181,600	309,400	178,500	217,400	136,300	841,600	+ 61,400	— 120,200
1,700	1,000	1,445,900	— 50,800	25,400	1,487,600	1,500	900	1,515,400	+ 18,700	+ 69,500
300	200	168,300	— 1,000	171,000	- -	300	200	171,500	+ 2,200	+ 3,200
9,600	5,800	935,300	+ 4,200	40,100	897,700	7,000	4,400	949,200	+ 18,100	+ 13,900
22,400	13,400	824,700	+ 53,100	734,300	65,800	21,900	13,700	835,700	+ 64,100	+ 11,000
48,200	28,900	479,400	+ 6,900	236,700	171,000	44,000	27,600	479,300	+ 6,800	— 100
640,100	384,100	14,344,100	+211,600	3,134,500	10,455,200	542,300	340,000	14,472,000	+ 339,500	+ 127,900
29,700	17,800	542,100	+ 5,900	490,800	- -	23,700	14,900	529,400	— 6,800	— 12,700
208,900	125,300	335,400	+ 20,900	900	- -	209,000	131,100	341,000	+ 26,500	+ 5,600
1,830,100	1,098,100	3,801,500	+303,900	77,600	811,000	1,782,700	1,118,000	3,789,300	+ 291,700	— 12,200
52,600	31,600	627,100	+ 50,300	84,300	462,500	54,300	34,000	635,100	+ 58,300	+ 8,000
29,600	17,800	253,000	+ 7,200	34,800	166,700	25,700	16,100	243,300	— 2,500	— 9,700
2,150,900	1,290,600	5,559,100	+388,200	688,400	1,440,200	2,095,400	1,314,100	5,538,100	+ 367,200	— 21,000
- -	- -	76,800	— 53,200	- -	40,500	- -	- -	40,500	— 89,500	— 66,300
- -	- -	993,900	— 17,800	1,054,300	- -	- -	- -	1,054,300	+ 42,600	+ 60,400
3,600	2,200	63,000	— 2,000	65,000	- -	- -	- -	65,000	- -	+ 2,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
3,600	2,200	1,133,700	— 73,000	1,119,300	40,500	- -	- -	1,159,800	— 46,900	+ 26,100
5,514,800	3,308,900	37,372,100	+ 50,400	11,693,200	17,874,500	5,325,200	3,339,500	38,232,400	+ 910,700	+ 860,300

REVISED ESTIMATE, 1892-93.				BUDGET ESTIMATE, 1893-94.			
India.	England.	Exchange.	Total.	India.	England.	Exchange.	Total.
Rx.	£.	Rx.	Rx.	Rx.	£.	Rx.	Rx.
—66,400	2,433,400	1,460,000	3,827,000	—380,000	2,394,200	1,501,500	3,515,700
3,167,600	1,222,200	733,300	5,123,100	3,340,700	1,215,000	761,900	5,317,600
1,138,900	- -	- -	1,138,900	1,168,300	- -	- -	1,168,300
4,240,100	3,655,600	2,193,300	10,089,000	4,129,000	3,609,200	2,263,400	10,001,600

LIBRARY OF THE BOMBAY ROYAL

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1891-92.					REVISED	
	India.		England.	Exchange.*	TOTAL.	India.	
	Imperial.	Provincial and Local.		1 s. 4·733 d.		Imperial.	Provincial and Local.
	Rx.	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward - - -	11,682,884	16,970,484	5,443,175	2,363,766	36,460,309	11,130,600	17,417,800
37.—CONSTRUCTION of RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	- -	163,233	- -	- -	163,233	158,500	134,400
RAILWAY REVENUE ACCOUNT:							
38.—State Railways: Working Expenses - -	6,896,441	1,318,039	- -	- -	8,214,480	7,448,900	353,500
Interest on Debt - - - - - -	2,480,038	505,123	1,005,952	436,847	4,427,960	2,937,700	210,500
Annuities in purchase of Railways - -	- -	- -	1,693,388	735,375	2,428,763	- -	- -
Interest chargeable against Companies on Advances.	- -	- -	157,919	68,578	226,497	- -	- -
Interest on Capital deposited by Companies	26,854	- -	681,758	296,062	1,004,674	30,500	- -
39.—Guaranteed Companies: Surplus Profits, Land, and Supervision.	756,916	- -	- -	- -	756,916	612,000	- -
Interest - - - - - - - -	37,171	- -	2,114,159	918,100	3,069,430	2,800	-
40.—Subsidised Companies. Land, &c. - -	18,924	14,206	- -	- -	33,130	15,000	16,900
41.—Miscellaneous Railway Expenditure - -	80,223	11,837	- -	- -	92,060	— 10,100	- -
Total - - -	10,296,567	1,849,205	5,653,176	2,454,962	20,253,910	11,036,800	580,900
IRRIGATION:							
42.—Major Works: Working Expenses - -	384,038	377,407	- -	- -	761,445	403,800	386,800
Interest on Debt - - - - -	589,580	520,098	- -	- -	1,109,678	606,300	532,600
43.—Minor Works and Navigation - - -	358,977	714,794	87	38	1,073,896	413,300	638,400
Total - - -	1,332,595	1,612,299	87	38	2,945,019	1,423,400	1,557,800
BUILDINGS AND ROADS:							
44.—Military Works - - - - - -	1,199,627	- -	10,382	4,509	1,214,518	1,124,900	- -
45.—Civil Works - - - - - -	739,218	4,112,876	99,103	43,037	4,994,234	665,900	3,932,600
Total - - -	1,938,845	4,112,876	109,485	47,546	6,208,752	1,790,800	3,932,600
ARMY SERVICES:							
46.—Army: Effective - - - - -	14,800,287	- -	2,410,443	1,046,765	18,257,495	14,573,000	- -
Non-effective - - - -	940,775	- -	2,149,070	933,261	4,023,106	949,200	- -
Total - - -	15,741,062	- -	4,559,513	1,980,026	22,280,601	15,522,200	- -
SPECIAL DEFENCE WORKS:							
47.—Special Defence Works - - - -	304,710	- -	209,263	90,875	604,848	279,300	- -
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL - - -	41,296,663	24,708,097	15,974,699	6,937,213	88,916,672	41,341,000	23,623,500
Add,—Portion of Allotments to Provincial Governments not spent by them in the Year - - - - -	- -	+178,637	- -	- -	+ 178,637	- -	+100,500
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances	- -	—419,561	- -	- -	— 419,561	- -	—464,300
TOTAL EXPENDITURE CHARGED AGAINST REVENUE - -	- -	24,467,173	- -	- -	88,675,748	- -	23,259,700

	ACCOUNTS, 1891-92.			
	India.	England.	Exchange.	TOTAL.
EXPENDITURE NOT CHARGED TO REVENUE:				
Capital Outlay, Railways and Irrigation Works:	*Rx.*	£.	*Rx.*	*Rx.*
48.—State Railways - - - - - -	1,530,690	864,309	375,337	2,770,336
49.—Irrigation Works - - - - - -	716,830	8,948	3,886	729,664
TOTAL - - -	2,247,520	873,257	379,223	3,500,000

* *See* foot-note to Statement A.

REVENUES of INDIA, in INDIA and in ENGLAND—*continued.*

ESTIMATE, 1892-93.			Increase + Decrease — of Revised, as compared with Budget Estimate, 1892-93.	BUDGET ESTIMATE, 1893-94.					Increase + Decrease — of Budget, 1893-94, as compared with Budget Estimate, 1892-93.	Increase + Decrease — of Budget, 1893-94, as compared with Revised Estimate, 1892-93.
				India.						
England.	Exchange.* 1 *s.* 3 *d.*	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.* 1 *s.* 2¾ *d.*	TOTAL.		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
5,514,800	3,308,900	37,372,100	+ 50,400	11,693,200	17,874,500	5,325,200	3,339,500	38,232,400	+ 910,700	+ 860,300
- -	- -	292,900	— 8,600	- -	75,100	- -	- -	75,100	— 226,400	— 217,800
- -	- -	7,802,400	— 76,400	7,719,300	368,200	- -	- -	8,087,500	+ 208,700	+ 285,100
1,017,000	610,200	4,775,400	+ 108,400	3,108,600	212,700	998,100	625,900	4,945,300	+ 278,300	+ 169,900
1,696,600	1,018,000	2,714,600	+ 169,700	- -	- -	1,699,700	1,065,900	2,765,600	+ 220,700	+ 51,000
205,200	123,100	328,300	— 1,400	- -	- -	216,900	136,000	352,900	+ 23,200	+ 24,600
659,200	395,500	1,085,200	+ 59,600	32,000	- -	678,800	425,700	1,136,500	+ 110,900	+ 51,300
- -	- -	612,000	+ 12,000	613,200	- -	- -	- -	613,200	+ 13,200	+ 1,200
2,145,300	1,287,200	3,435,300	+ 179,000	2,600	- -	2,154,900	1,351,400	3,508,900	+ 252,600	+ 73,600
- -	- -	31,900	— 13,000	14,200	14,200	- -	- -	28,400	— 16,500	— 3,500
- -	- -	— 10,100	— 70,100	107,500	- -	- -	- -	107,500	+ 47,500	+ 117,600
5,723,300	3,434,000	20,775,000	+ 367,800	11,597,400	595,100	5,748,400	3,604,900	21,545,800	+1,138,600	+ 770,800
- -	- -	790,600	+ 19,600	398,400	377,700	- -	- -	776,100	+ 5,100	— 14,500
- -	- -	1,138,900	- -	631,300	537,000	- -	- -	1,168,300	+ 29,400	+ 29,400
700	400	1,052,800	+ 43,200	319,600	595,400	400	300	915,700	— 93,900	— 137,100
700	400	2,982,300	+ 62,800	1,349,300	1,510,100	400	300	2,860,100	— 59,400	— 122,200
40,800	24,500	1,190,200	+ 6,400	1,184,700	- -	9,200	5,800	1,199,700	+ 15,900	+ 9,500
86,700	52,000	4,737,200	+ 900	693,800	4,053,300	88,400	55,400	4,890,900	+ 154,600	+ 153,700
127,500	76,500	5,927,400	+ 7,300	1,878,500	4,053,300	97,600	61,200	6,090,600	+ 170,500	+ 163,200
2,635,300	1,581,200	18,789,500	+1,111,300	14,750,200	- -	2,244,100	1,407,300	18,401,600	+ 723,400	— 387,900
2,387,000	1,432,200	4,768,400	+ 548,100	943,300	- -	2,253,400	1,413,100	4,609,800	+ 389,500	— 158,600
5,022,300	3,013,400	23,557,900	+1,659,400	15,693,500	- -	4,497,500	2,820,400	23,011,400	+1,112,900	— 546,500
175,000	105,000	559,300	— 55,200	252,300	- -	174,700	109,600	536,600	— 77,900	— 22,700
16,563,600	9,938,200	91,466,900	+2,083,900	42,464,200	24,108,100	15,843,800	9,935,900	92,352,000	+2,969,000	+ 885,100
- -	- -	+ 100,500	—	—	—	—	—	—	—	—
- -	- -	— 464,300	- -	- -	— 751,200	- -	- -	— 751,200	—	—
- -	- -	91,103,100	- -	- -	23,356,900	- -	- -	91,600,800	—	—

REVISED ESTIMATE, 1892-93.				BUDGET ESTIMATE, 1893-94.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
Rx.	£.	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*
1,727,900	1,068,000	640,800	3,436,700	925,900	1,151,800	722,300	2,800,000
536,900	8,200	4,900	550,000	735,700	8,800	5,500	750,000
2,264,800	1,076,200	645,700	3,986,700	1,661,600	1,160,600	727,800	3,550,000

* *See* foot-note to Statement A.

C.—STATEMENT of Receipts and Disbursements

	ACCOUNTS, 1891-92.			REVISED ESTIMATE, 1892-93.			BUDGET ESTIMATE, 1893-94.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Revenue (from Statement A.)	88,773,360	257,919	89,031,279	89,683,000	211,400	89,894,400	89,690,900	193,500	89,884,400
Exchange added to Revenue	112,004	- -	112,004	126,800	- -	126,800	121,300	- -	121,300
Total	88,885,364	257,919	89,143,283	89,809,800	211,400	90,021,200	89,812,200	193,500	90,005,700
Permanent Debt Incurred:									
Sterling Debt:									
3 per Cent. Stock	- -	4,600,000	- -	- -	1,300,000	- -	- -	1,300,000	—
Rupee Debt:									
Rupee Loan	7	- -	- -	- -	- -	- -	3,000,000	—	—
Loan from Rampur State	- -	- -	- -	250,000	- -	- -	220,000	—	—
Total	7	4,600,000	4,600,007	250,000	1,300,000	1,550,000	3,220,000	1,300,000	4,520,000
Net	- -	- -	**3,038,293**	- -	- -	**0**	- -	- -	**3,265,800**
Unfunded Debt:									
Treasury Notes	2,300	- -	- -	1,000	—	—	—	—	—
Deposits of Service Funds	135,381	- -	- -	135,400	- -	- -	136,900	—	—
Savings Bank Deposits	3,844,903	- -	- -	4,209,500	- -	- -	4,080,900	—	—
Total	3,982,584	- -	3,982,584	4,345,900	- -	4,345,900	4,217,800	- -	4,217,800
Net	- -	- -	**899,359**	- -	- -	**1,056,100**	- -	- -	**882,200**
Deposits and Advances:									
Balances of Provincial Allotments	178,637	- -	- -	100,500	—	—	—	—	—
Appropriation for reduction of Debt.	682,170	—	—	—	—	—	—	—	—
Excluded Local Funds	770,194	- -	- -	759,500	- -	- -	760,500	—	—
Political and Railway Funds	359,583	- -	- -	323,400	- -	- -	319,200	—	—
Deposits of Sinking Funds	- -	- -	- -	4,500	- -	- -	9,100	—	—
Departmental and Judicial Deposits.	16,306,558	- -	- -	15,907,800	- -	- -	15,492,200	—	—
Advances	8,316,775	3,196	- -	14,646,200	4,500	- -	14,353,200	4,200	—
Suspense Accounts	132,151	- -	- -	19,500	- -	- -	51,200	—	—
Exchange on Remittance Accounts (net).	722,553	- -	- -	915,000	—	—	—	—	—
Miscellaneous	147,661	2,051	- -	55,000	- -	- -	202,400	—	—
Total	27,616,282	5,247	27,621,529	32,731,400	4,500	32,735,900	31,187,800	4,200	31,192,000
Net	- -	- -	**1,480,280**	- -	- -	**454,100**	- -	- -	**0**
Carried forward	120,484,237	4,863,166	- -	127,137,100	1,515,900	- -	128,437,800	1,497,700	—

of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND.

	ACCOUNTS, 1891-92.			REVISED ESTIMATE, 1892-93.			BUDGET ESTIMATE, 1893-94.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
EXPENDITURE, IMPERIAL and PROVINCIAL (from Statement B.).	66,004,760	15,974,699	81,979,459	64,965,100	16,563,600	81,528,700	66,572,300	15,843,800	82,416,100
Exchange, charged as Expenditure	6,937,213	- -	6,937,213	9,938,200	- -	9,938,200	9,935,900	- -	9,935,900
Add,—Provincial Surpluses, transferred to "Deposits."	178,637	- -	178,637	100,500	- -	100,500	—	—	—
Deduct,—Provincial Deficits, charged against "Deposits."	*—419,561*	- -	*—419,561*	*—464,300*	- -	*—464,300*	*—751,200*	- -	*—751,200*
Total - - -	72,701,049	15,974,699	88,675,748	74,539,500	16,563,600	91,103,100	75,757,000	15,843,800	91,600,800
EXPENDITURE NOT CHARGED TO REVENUE.									
Capital Outlay on Railways and Irrigation Works.	2,247,520	873,257	- -	2,264,800	1,076,200	- -	1,661,600	1,160,600	—
Exchange on Expenditure not charged to Revenue.	379,223	- -	- -	645,700	- -	- -	727,800	—	—
Total - - -	2,626,743	873,257	3,500,000	2,910,500	1,076,200	3,986,700	2,389,400	1,160,600	3,550,000
PERMANENT DEBT DISCHARGED:									
Sterling Debt:									
India 5 per Cent. Stock -	- -	- -	- -	- -	400	—	—	—	—
India 4 per Cent. Stock -	- -	4,262	- -	- -	500	—	—	—	—
India 3½ per Cent. Debentures	- -	1,386,000	—	—	—	—	—	—	—
Oudh and Rohilkhund Railway Debentures.	- -	31,000	- -	- -	1,770,300	- -	- -	729,000	—
South Indian Railway Debentures.	- -	86,100	- -	- -	150,000	- -	- -	520,200	—
Rupee Debt:									
4½ per Cent. Loans - -	6,100	- -	- -	3,200	- -	- -	3,800	—	—
4 per Cent. Loans - - -	43,946	—		—	—	—	—	—	—
Provincial Debentures - -	4,200	- -	- -	1,800	- -	- -	1,000	—	—
Stock Notes - - - -	106	- -	- -	- -	- -	- -	200	—	—
Total - - -	54,352	1,507,362	1,561,714	5,000	1,921,200	1,926,200	5,000	1,249,200	1,254,200
Net - - -	- -	- -	0	- -	- -	**376,200**	- -	- -	0
UNFUNDED DEBT:									
Special Loans - - - - -	138	- -	- -	200	- -	- -	200	—	—
Treasury Notes - - -	700	- -	- -	500	—	—	—	—	—
Deposits of Service Funds -	88,657	- -	- -	92,200	- -	- -	93,000	—	—
Savings Bank Deposits - -	2,993,730	- -	- -	3,196,900	- -	- -	3,242,400	—	—
Total - - -	3,083,225	- -	3,083,225	3,289,800	- -	3,289,800	3,335,600	- -	3,335,600
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
DEPOSITS AND ADVANCES:									
Balances of Provincial Allotments	419,561	- -	- -	464,300	- -	- -	751,200	—	—
Excluded Local Funds - -	757,366	- -	- -	753,700	- -	- -	752,600	—	—
Political and Railway Funds -	369,248	- -	- -	328,900	- -	- -	313,700	—	—
Departmental and Judicial Deposits.	15,936,179	- -	- -	15,732,100	- -	- -	15,541,800	—	—
Advances - - - - -	8,249,108	2,594	- -	14,869,400	4,200	- -	14,356,400	2,000	—
Suspense Accounts - - -	141,254	- -	- -	51,800	- -	- -	22,300	—	—
Exchange on Remittance Accounts net - - - - -	- -	- -	- -	- -	- -	- -	482,800	—	—
Miscellaneous - - - -	265,233	706	- -	76,800	600	- -	55,000	—	—
Total - - -	26,137,949	3,300	26,141,249	32,277,000	4,800	32,281,800	32,275,800	2,000	32,277,800
Net - - -	- -	- -	0	- -	- -	0	- -	- -	**1,085,800**
Carried forward - - -	104,603,318	18,358,618	- -	113,021,800	19,565,800	- -	113,762,800	18,255,600	—

C.—STATEMENT of Receipts and Disbursements

	ACCOUNTS, 1891-92.			REVISED ESTIMATE, 1892-93.			BUDGET ESTIMATE, 1893-94.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward - - -	120,484,237	4,863,166	- -	127,137,100	1,515,900	- -	128,437,800	1,497,700	—
Loans and Advances by Imperial Government.	128,662	- -	128,662	102,300	- -	102,300	714,000	- -	714,000
Net - - -	- -	- -	0	- -	- -	0	- -	- -	**564,400**
Loans and Advances by Provincial Governments.	261,135	- -	261,135	310,000	- -	310,000	332,000	- -	332,000
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
Capital Receipts from Railway Companies:									
On account of Subscribed Capital.	180,837	1,082,605	- -	- -	1,538,600	- -	- -	1,420,000	—
Repayments - - -	1,200,961	8,001	- -	1,175,800	9,100	- -	1,222,900	—	—
Total - - -	1,381,798	1,090,606	2,472,404	1,175,800	1,547,700	2,723,500	1,222,900	1,420,000	2,642,900
Net - - -	- -	- -	0	- -	- -	**626,500**	- -	- -	0
Remittances:									
Inland Money Orders - -	17,365,788	- -	- -	18,100,000	- -	- -	19,100,000	—	—
Other Local Remittances -	69,071	—	—	—	—	—	—	—	—
Other Departmental Accounts	651,843	- -	- -	630,200	- -	- -	643,000	—	—
Net Receipts by Civil Treasuries from—									
Post Office - - - -	891,797	- -	- -	988,900	- -	- -	874,500	—	—
Telegraph - - - -	37,845	- -	- -	57,500	- -	- -	36,600	—	—
Guaranteed Railways - -	3,733,896	- -	- -	3,575,200	- -	- -	3,498,700	—	—
Public Works - - -	- -	- -	- -	408,300	—	—	—	—	—
Net Receipts from Civil Treasuries by—									
Marine - - - -	215,703	- -	- -	203,700	- -	- -	214,600	—	—
Military - - - -	14,292,281	- -	- -	14,113,600	- -	- -	14,314,800	—	—
Public Works - - -	618,941	- -	- -	301,700	- -	- -	72,900	—	—
Remittance Account between England and India.	1,184,038	188,287	- -	1,372,400	194,600	- -	1,529,200	136,000	—
Total - - -	39,061,203	188,287	39,249,490	39,751,500	194,600	39,946,100	40,284,300	136,000	40,420,300
Net - - -	- -	- -	**116,140**	- -	- -	**649,500**	- -	- -	0
Secretary of State's Bills Drawn.	- -	16,093,854	16,093,854	- -	17,200,000	17,200,000	- -	18,700,000	18,700,000
Total Receipts - -	161,317,035	22,235,913	- -	168,476,700	20,458,200	- -	170,991,000	21,753,700	—
Opening Balance - -	17,876,244	3,835,050	- -	17,287,005	4,122,626	- -	15,204,205	2,602,826	—
GRAND TOTAL - -	179,193,279	26,070,963	- -	185,763,705	24,580,826	- -	186,195,205	24,356,526	—

Fort William, Finance and Commerce Department,
23 March 1893.

H. G. Cowie,
Deputy Comptroller General.

D.—ACCOUNT of Provincial and Local Savings charged to Revenue, and held

Provincial and

Note.—These Balances do not include the Balances

	India.	Central Provinces.	Burma.	Assam.
Accounts, 1891-92.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Balance at end of 1890-91 - - -	13,062	265,263	395,513	122,159
Added in 1891-92 - - - -	- - -	25,218	89,112	42,527
Spent in 1891-92 - - - - -	42	- - -	- - -	- - -
Balance at end of 1891-92 - -	13,020	290,481	484,625	164,686
Revised Estimate, 1892-93.				
Balance at end of 1891-92 (by Accounts)	13,020	290,481	484,625	164,686
Added in 1892-93 - - - - -	- - -	- - -	(*a*) 74,500	- - -
Spent in 1892-93 - - - -	800	40,600	(*b*) 2,200	26,600
Balance at end of 1892-93 - -	12,220	249,881	556,925	138,086
Budget Estimate, 1893-94.				
Balance at end of 1892-93 (by Revised Estimate).	12,220	249,881	556,925	138,086
Spent in 1893-94 - - - - -	600	89,900	104,200	74,700
Balance at end of 1893-94 - -	11,620	159,981	452,725	63,386

(*a*) Lower Burma.

(*b*) Upper Burma.

Fort William, Finance and Commerce Department,
23 March 1893.

H. G. Cowie,
Deputy Comptroller Gene

of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND—*continued.*

	ACCOUNTS, 1891-92.			REVISED ESTIMATE, 1892-93.			BUDGET ESTIMATE, 1893-94.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward - - -	104,603,318	18,358,618	- -	113,021,800	19,565,800	- -	113,762,800	18,255,600	—
Loans and Advances by Imperial Government.	617,449	- -	617,449	442,800	- -	442,800	149,600	- -	149,600
Net - - -	- -	- -	488,787	- -	- -	340,500	- -	- -	0
Loans and Advances by Provincial Governments.	726,540	- -	726,540	812,200	- -	812,200	608,200	- -	608,200
Net - - -	- -	- -	465,405	- -	- -	502,200	- -	- -	276,200
Payments to Railway Companies on Capital Account:									
For discharge of Debentures	- -	1,424,900	- -	- -	- -	- -	- -	1,140,000	—
For Expenditure - -	1,119,600	1,074,296	- -	1,146,400	950,600	- -	1,599,300	1,469,200	—
Total - - -	1,119,600	2,499,196	3,618,796	1,146,400	950,600	2,097,000	1,599,300	2,609,200	4,208,500
Net - - -	- -	- -	1,146,392	- -	- -	0	- -	- -	1,565,600
Remittances:									
Inland Money Orders -	17,349,302	- -	- -	18,100,000	- -	- -	19,100,000	—	—
Other Local Remittances	- -	- -	- -	1,500	—	—	—	—	—
Other Departmental Accounts	661,930	- -	- -	630,200	- -	- -	643,000	—	—
Net Payments into Civil Treasuries by—									
Post Office - - -	891,795	- -	- -	988,900	- -	- -	874,500	—	—
Telegraph - - - -	39,340	- -	- -	57,500	- -	- -	36,600	—	—
Guaranteed Railways -	3,736,325	- -	- -	3,575,200	- -	- -	3,498,700	—	—
Net Issues from Civil Treasuries to—									
Marine - - - -	214,811	- -	- -	203,700	- -	- -	214,600	—	—
Military - - - -	14,292,281	- -	- -	14,113,600	- -	- -	14,314,800	—	—
Public Works - - -	685,907	- -	- -	- -	- -	- -	72,900	—	—
Remittance Account between England and India.	171,136	1,090,523	- -	164,400	1,461,600	- -	155,000	1,519,200	—
Total - - -	38,042,827	1,090,523	39,133,350	37,835,000	1,461,600	39,296,600	38,916,100	1,519,200	40,429,300
Net - - -	- -	- -	0	- -	- -	0	- -	- -	9,000
SECRETARY OF STATE'S BILLS PAID.	16,796,540	- -	16,796,540	17,301,300	- -	17,301,300	18,522,100	- -	18,522,100
TOTAL DISBURSEMENTS -	161,906,274	21,948,337	- -	170,559,500	21,978,000	- -	173,552,100	22,384,000	—
Closing Balance - -	17,287,005	4,122,626	- -	15,204,205	2,602,826	- -	12,643,105	1,972,526	—
GRAND TOTAL - - -	179,193,279	26,070,963	- -	185,763,705	24,580,826	- -	186,195,205	24,356,526	—

Stephen Jacob,
Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL CONTRACTS.

LOCAL BALANCES.

of Deposits and Advances upon Local Fund Accounts.

Bengal.	North Western Provinces and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
436,697	578,795	483,505	1,308,976	820,867	4,424,837
- - -	21,780	- - -	- - -	- - -	178,637
34,508	- - -	10,510	340,872	33,629	419,561
402,189	600,575	472,995	968,104	787,238	4,183,913
402,189	600,575	472,995	968,104	787,238	4,183,913
- - -	26,000	- - -	- - -	- - -	100,500
39,000	- - -	112,000	172,800	70,300	464,800
363,189	626,575	360,995	795,304	716,938	3,820,113
363,189	626,575	360,995	795,304	716,938	3,820,113
45,200	50,500	64,800	190,400	130,900	751,200
317,989	576,075	296,195	604,904	586,038	3,068,913

Stephen Jacob,
Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—INDIA and ENGLAND.

NET REVENUE.

	ACCOUNTS, 1891-92.				
	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Land Revenue	23,965,774	64,490	23,901,284	3,835,126	20,066,158
Opium	8,012,380	12	8,012,368	1,861,813	6,150,555
Salt	8,636,182	38,112	8,598,070	459,034	8,139,036
Stamps	4,262,156	47,198	4,214,958	138,447	4,076,511
Excise	5,117,264	30,355	5,086,909	190,097	4,896,812
Provincial Rates	3,502,837	5,463	3,497,374	58,703	3,438,671
Customs	1,701,288	46,977	1,654,311	136,363	1,517,948
Assessed Taxes	1,652,823	14,726	1,638,097	29,577	1,608,520
Forest	1,490,582	5,657	1,484,925	843,926	640,999
Registration	399,802	1,363	398,439	207,863	190,576
Tributes from Native States	775,961	- -	775,961	- -	775,961
	59,517,049	254,353	59,262,696	7,760,949	51,501,747
Deduct,—Assignments and Compensations	- -	- -	- -	- -	1,531,860
TOTAL NET REVENUE	- -	- -	- -	- -	49,969,887

NET EXPENDITURE.

	ACCOUNTS, 1891-92.		
	Gross Expenditure.	Receipts.	Net Expenditure.
	Rx.	*Rx.*	*Rx.*
Interest	4,315,176	879,443	3,435,733
Post Office, Telegraph, and Mint	2,429,188	2,575,736	— 146,548
Civil Departments	13,853,842	1,656,157	12,197,685
Miscellaneous Civil Charges	5,046,622	897,284	4,149,338
Famine Relief and Insurance	1,268,319	- - -	1,268,319
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	163,233	- - -	163,233
Railway Revenue Account	20,253,910	19,938,046	315,864
Irrigation	2,945,019	2,272,040	672,979
Buildings and Roads	6,208,752	627,124	5,581,628
Army Services	22,280,601	780,404	21,500,197
Special Defence Works	604,848	- - -	604,848
	79,369,510	29,626,234	49,743,276
Provincial and Local Surpluses and Deficits	+ 178,637 — 419,561	- - -	— 240,924
TOTAL NET EXPENDITURE	- - -	- - -	49,502,352
Surplus (+) or deficit (—)	- - -	- - -	+ 467,535
			49,969,887

Fort William, Finance and Commerce Department,
23 March 1893.

H. G. Cowie,
Deputy Comptroller General.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—INDIA and ENGLAND.

NET REVENUE.

REVISED ESTIMATE, 1892-93.					BUDGET ESTIMATE, 1893-94.				
Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
24,857,600	57,100	24,800,500	3,956,100	20,844,400	25,157,200	56,000	25,101,200	4,112,300	20,988,900
7,966,500	200	7,966,300	1,595,000	6,371,300	7,316,200	100	7,316,100	2,255,000	5,061,100
8,648,600	33,900	8,614,700	465,300	8,149,400	8,587,800	37,000	8,550,800	510,800	8,040,000
4,458,200	48,600	4,409,600	141,400	4,268,200	4,434,100	46,900	4,387,200	154,700	4,232,500
5,203,600	30,200	5,173,400	194,100	4,979,300	5,145,900	22,100	5,123,800	208,800	4,915,000
3,645,700	8,300	3,637,400	58,300	3,579,100	3,707,100	5,100	3,702,000	53,500	3,648,500
1,616,800	59,200	1,557,600	139,900	1,417,700	1,665,200	41,200	1,624,000	144,800	1,479,200
1,683,100	16,700	1,666,400	30,400	1,636,000	1,687,200	12,800	1,674,400	32,400	1,642,000
1,627,600	2,600	1,625,000	895,600	729,400	1,588,800	2,800	1,586,000	990,200	595,800
430,700	1,100	429,600	212,100	217,500	429,300	900	428,400	222,000	206,400
798,600	- -	798,600	- -	798,600	771,700	- -	771,700	- -	771,700
60,937,000	257,900	60,679,100	7,688,200	52,990,900	60,490,500	224,900	60,265,600	8,684,500	51,581,100
- -	- -	- -	- -	1,517,500	- -	- -	- -	- -	1,477,900
- -	- -	- -	- -	51,473,400	- -	- -	- -	- -	50,103,200

NET EXPENDITURE.

REVISED ESTIMATE, 1892-93.			BUDGET ESTIMATE, 1893-94.		
Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
4,343,200	868,600	3,474,600	4,065,900	893,600	3,172,300
2,528,400	2,755,500	— 227,100	2,609,300	2,720,800	— 111,500
14,344,100	1,660,800	12,683,300	14,472,000	1,635,500	12,836,500
5,559,100	898,400	4,660,700	5,538,100	982,900	4,555,200
1,133,700	- - -	1,133,700	1,159,800	- - -	1,159,800
292,900	- - -	292,900	75,100	- - -	75,100
20,775,000	19,064,200	1,710,800	21,545,800	19,551,700	1,994,100
2,982,300	2,404,300	578,000	2,860,100	2,337,700	522,400
5,927,400	639,100	5,288,300	6,090,600	623,900	5,466,700
23,557,900	793,300	22,764,600	23,011,400	769,100	22,242,300
559,300	- - -	559,300	536,600	- - -	536,600
82,003,300	29,084,200	52,919,100	81,964,700	29,515,200	52,449,500
+ 100,500 — 464,300	- - -	— 363,800	— 751,200	- - -	— 751,200
- - -	- - -	52,555,300	- - -	- - -	51,698,300
- - -	- - -	— 1,081,900	- - -	- - -	— 1,595,100
- - -	- - -	51,473,400	- - -	- - -	50,103,200

Stephen Jacob,
Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

APPENDIX III.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1884–85.	1885–86.	1886–87.	
Recorded Revenue compared with the recorded Expenditure, excluding Capital Expenditure on Public Works not charged against Revenue:				
Surplus			178,427	1
Deficit	*Rx.* 386,446	2,801,726		2
Capital Expenditure on Public Works not charged against Revenue.*	„ 4,226,613	5,275,364	5,670,484	3
Capital Charge involved in Redemption of Liabilities	£. 1,314,746	1,086,045	4,914,546	4
Net Public Debt incurred	1,193,924	3,584,979	9,727,538	5
Net Public Debt incurred, including Capital transactions with Guaranteed Railways, and other Companies.	801,966	7,735,903	9,043,165	6
Value of commodities exported, excluding Gold and Silver	*Rx.* 83,255,000	83,881,000	88,470,000	7
Value of commodities imported, excluding Gold and Silver	„ 55,703,000	55,656,000	61,777,000	8
Excess of Exports over Imports, excluding Gold and Silver	„ 27,552,000	28,225,000	26,693,000	9
Net Imports of Gold	„ 4,672,000	2,763,000	2,177,000	10
Net Imports of Silver	„ 7,246,000	11,607,000	7,156,000	11
TOTAL Net Imports of Gold and Silver	„ 11,918,000	14,370,000	9,333,000	12
Excess of Exports over Imports, including Gold and Silver	„ 15,634,000	13,855,000	17,360,000	13
Grand Total Value of Imports and Exports of all kinds	„ 154,817,000	156,123,000	163,021,000	14
Secretary of State's Bills sold	*Rs.* 17,10,22,119	13,53,25,369	16,70,03,150	15
Sterling equivalent received	£. 13,758,909	10,292,692	12,136,279	16
Silver coined at the Indian Mints	*Rx.* 5,794,232	10,285,567	4,616,537	17
Maximum price in pence of an oz. Troy standard silver in London	*d.* 51 (April)	50 5/8 (May)	47 1/8 (Jan.)	18
Minimum - - ditto - - ditto	„ 48 7/8 (Feb.)	46 7/16 (Jan.)	42 (Aug.)	19
Average exchange upon Secretary of State's Bills sold per rupee.	1 *s.* 7·308 *d.*	1 *s.* 6·254 *d.*	1 *s.* 5·441 *d.*	20
Fixed rate of exchange for the adjustment of transactions between the Indian and Imperial Treasuries.	1 *s.* 7 1/2 *d.*	1 *s.* 7 1/4 *d.*	1 *s.* 6 1/4 *d.*	21
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta.	11 (April and May)	9 (May)	8 (June, July, Feb. and March.)	22
Minimum - - ditto - - ditto	3 (Nov. and Dec.)	4 (From July to Jan.)	5 (Nov., Dec., & Jan.)	23
Maximum rate of discount at the Bank of England	5 (Nov., Dec. & Jan.)	4 (Dec.)	5 (Dec. and Jan.)	24
Minimum - - ditto - - ditto	2 (June to Sept.)	2 (May to Nov.)	2 (April & May)	25
Maximum Government Balances at the three Presidency Banks.	*Rx.* 5,731,200 (Nov.)	6,486,800 (Dec.)	4,594,600 (June)	26
Minimum - - ditto - - ditto	„ 2,991,900 (May)	3,638,800 (May)	3,296,500 (Sept.)	27
Maximum price in Calcutta of Government 4 per Cent. Rupee Securities.	101-12 (June)	99-14 (July)	98-2 (Sept.)	28
Minimum - - ditto - - ditto	94-12 (March)	91-12 (May)	95·0 (Feb.)	29
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts.	*Rx.* 22,196,100 (May)	20,551,700 (April)	19,707.100 (Oct.)	30
Minimum - - ditto - - ditto	„ 21,836,600 (Mar.)	19,181,300 (Dec.)	19,053,000 (Mar.)	31
Maximum price in London of 4 per Cent. (Rupee) Securities, in gold.	82 1/2 (May)	78 1/2 (July)	73 1/4 (Nov.)	32
Minimum - - ditto - - ditto	74 (March)	71 3/4 (Jan.)	65 5/8 (Aug.)	33
Maximum price in London of India 3 1/2 per Cent. Stock	107 3/4 (Sept.)	102 1/2 (Aug.)	102 (May)	34
Minimum - - ditto - - ditto	97 1/4 (Mar.)	97 (April)	100 1/4 (Sept.)	35
Maximum price in London of India 3 per Cent. Stock	96 1/4 (Sept.)	91 1/2 (Feb.)	90 (April)	36
Minimum - - ditto - - ditto	88 1/2 (Mar.)	85 (July)	85 (Feb.)	37
Maximum Government Paper Currency outstanding	*Rx.* 15,762,700 (Nov.)	15,713,500 (Oct.)	14,678,200 (Nov.)	38
Minimum - - ditto - - ditto	„ 12,342,500 (April)	13,017,900 (April)	13,779,400 (April)	39
Number of Savings Banks	5,860	6,198	6,230	40
Number of Depositors in Savings Banks	242,417	262,456	289,090	41
Amount deposited in Savings Banks	*Rx.* 4,687,082	5,081,183	5,795,249	42
Average of each deposit	„ 19	19	20	43
Net addition to deposits	„ 681,152	304,101	714,066	44

* Excludes Capital charge involved in redemption of Liabilities.

APPENDIX

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1887-88.	1888-89.	1889-90.	1890-91.	1891-92.	Revised Estimate, 1892-93.	Budget, 1893-94.
1	- -	37,018	2,612,033	3,688,171	467,535	—	—
2	2,02 8,832	- - -	- - -	- - -	- - -	1,081,900	1,595,100
3	2,784,824	1,638,001	3,173,390	3,365,632	3,500,000	3,986,700	3,550,000
4	- - -	10,336,049	- - -	4,692,557	—	—	—
5	5,435,799	13,487,881	5,129,018	6,293,714	3,038,293	376,200	3,265,800
6	4,861,672	9,456,342	3,913,426	3,639,498	1,891,901	250,300	1,700,200
7	90,544,000	97,049,000	103,460,000	100,227,000	108,173,000	—	—
8	65,005,000	69,440,000	69,197,600	71,975,000	69,432,000	—	—
9	25,539,000	27,609,000	34,263,000	28,252,000	38,741.000	—	—
10	2,992,000	2,814,000	4,615,000	5,636,000	2,414,000	—	—
11	9,229,000	9,247,000	10,938,000	14,175,000	9,022,000	—	—
12	12,221,000	12,061,000	15,553,000	19,811,000	11,436,000	—	—
13	13,318,000	15,548,000	18,710,000	8,441,000	27,305,000	—	—
14	170,979,000	182,119,000	192,024,000	196,260,000	195,615,000	—	—
15	21,81,23,993	20,89,91,221	22,41,86,638	21,18,69,300	23,08,28,115	27,52,00,000	30, 42, 71, 186
16	15,358,577	14,262,859	15,474,496	15,969,034	16,093,854	17,200,000	18,700,000
17	10,788,425	7,282,255	8,541,158	13,193,473	5,553,970	—	—
18	45⅛ (Dec.)	44 3/16 (Sept.)	44⅞ (Jan.)	54⅝ (Sept.)	46⅜ (July)	41⅛ (June)	—
19	43 (Mar.)	41¾ (May)	41 15/16 (May)	43⅞ (April)	(39 (Mar.)	37⅝ (March)	—
20	1 *s.* 4·899 *d.*	1 *s.* 4·379 *d.*	1 *s.* 4·566 *d.*	1 *s.* 6·089 *d.*	1 *s.* 4·733 *d.*	1 *s.* 3 *d.*	1 *s.* 2¾ *d.*
21	1 *s.* 6 *d.*	1 *s.* 5 *d.*	1 *s.* 4½ *d.*	1 *s.* 5 *d.*	1 *s.* 6½ *d.*	1 *s.* 4 3/4 *d.*	1 *s.* 2¾ *d.*
22	9 (April and May)	12 (Feb. & Mar.)	11 (Feb. and Mar.)	12 (April)	5 (Jan. and Mar.)	6 (Jan.)	—
23	3 (Oct. to Dec.)	4 (May to Sept.)	4 (June, July & Oct.)	3 (Aug. to Feb.)	2 (Aug. and Sept.)	3 (May to Dec.)	—
24	4 (Sept. to Jan.)	5 (Oct. to Jan.)	6 (Jan. and Feb.)	6 (Nov.)	5 (May and June)	3 (April, Oct., Nov., Dec. and Jan.)	—
25	2 (April to Aug.)	2 (April & May)	2½ (April & July)	3 (April, May, June, Feb. and March).	2½ (July, Aug. and Sept.)	2 (May to Oct.)	—
26	3,595,900 (Feb.)	4,385,500 (June)	4,446,400 (March)	4,083,800 (June)	4,743,700 (June)	4,123,600 (May)	—
27	2,861,500 (Dec.)	2,791,900 (Nov.)	2,856,900 (Nov.)	2,937,300 (Oct.)	2,871,600 (Oct.)	2,751,900 (Nov.)	—
28	100 (Oct.)	101-1 (Sept.)	100-10 (July.)	106-6 (Jan.)	108-4 (June)	109-2 (May)	—
29	95-4 (April)	96-6 (Jan.)	96-3 (Jan.)	99-7 (April)	104-10 (Feb.)	103-7 (Sept.)	—
30	20,812,100 (March)	21,701,500 (March)	21,962,100 (Nov.)	26,724,500 (Mar.)	27,921,500 (Feb.)	27,256,600 (April)	—
31	18,916,300 (Oct.)	20,972,200 (April)	21,586,900 (March)	21,498,800 (April)	26,531,900 (Aug.)	26,016,100 (July)	—
32	70 7/8 (Sept.)	69¼ (Sept.)	70½ (Jan.)	90¼ (Aug.)	78⅞ (July)	70⅜ (June)	—
33	67 (April)	65½ (May)	66⅛ (Sept.)	70¼ (April)	66⅜ (Mar.)	62 9/16 (Aug. and Dec.)	—
34	108 (Mar.)	108¾ (Mar.)	109¾ (May)	110 (Feb.)	108¼ (April)	109½ (Dec.)	—
35	100½ (Sept.)	104 (Oct.)	106⅜ (Dec.)	104¾ (Nov.)	103½ (June)	105 (Aug.)	—
36	99⅜ (Mar.)	100⅛ (Feb.)	102 (Aug.)	100⅜ (April)	97¼ (April)	98½ (May)	—
37	87⅝ (April)	96 (May)	99 (April)	94¼ (Nov.)	93 (June)	95 (Aug.)	—
38	18,610,300 (Nov.)	18,055,300 (July)	16,667,800 (Nov.)	27,660,300 (Jan.)	27,040,700 (July)	—	—
39	13,903,200 (May)	14,829,800 (Feb.)	15,466,500 (Dec.)	17,419,600 (April)	22,624,200 (Jan.)	—	—
40	6,152	6,237	6,546	6,642	6,642	—	—
41	331,867	383,267	431,805	475,329	528,752	—	—
42	6,675,571	7,622,544	7,531,868	8,062,241	8,886,372	—	—
43	20	20	18	17	17	—	—
44	880,322	946,973	—90,676	530,373	824,131	—	—

APPENDIX III.—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE II.—SEA-BORNE TRADE for the YEAR. (Principal ARTICLES arranged in order of their DECLARED VALUE.)

No.	EXPORTS.		1887-88.	1888-89.	1889-90.	1890-91.	1891-92.
1	Cotton—						
	Raw:						
	Quantity	*Cwt.*	5,374,542	5,331,536	6,320,342	5,913,923	4,424,947
	Value	*Rx.*	14,412,842	15,045,048	18,668,404	16,502,775	10,754,312
	Average declared value per lb. — *Annas*		3 10	*As.* 4 –	*As.* 4 3	*As.* 4 0	*As.* 3 6
	Average declared value per lb. — *Pence, at average exchange*		4·05	4·09	4·4	4·52	3·66
	Twist and Yarn:						
	Quantity	*Lbs.*	113,451,375	128,906,764	141,949,951	169,275,304	161,253,294
	Value	*Rx.*	4,077,386	5,207,100	5,748,732	6,543,364	5,771,033
	Average declared value per lb.	*Annas*	5 9	*As.* 6 6	*As.* 6 6	*As.* 6 2	*As.* 5 9
	Other Manufactures:						
	Value	*Rx.*	1,150,542	1,167,464	1,005,011	1,159,275	1,264,003
	Average declared value per yard — Grey or unbleached	*Annas*	1 10	*As.* 1 11	*As.* 1 9	*As.* 1 10	*As.* 1 10
	Average declared value per yard — Coloured, printed, or dyed	„	4 5	*As.* 4 7	*As.* 4 6	*As.* 4 8	*As.* 4 7
	Percentage of manufactures on whole value exported		26·62	29·76	26·57	31·82	39·55
2	Wheat:						
	Quantity	*Cwt.*	13,538,169	17,610,081	13,799,224	14,320,496	30,303,425
	Value	*Rx.*	5,562,373	7,522,676	5,791,377	6,042,426	14,380,462
	Average declared value per cwt. — *Rupees*		4 1 9	4 4 4	4 3 2	4 3 6	4 11 11
	Average declared value per cwt. — *Shillings, at average exchange*		4·79	5·83	5·8	6·36	6·62
3	Rice and Paddy:						
	Quantity	*Cwt.*	28,534,057	23,144,641	27,098,906	34,963,341	33,166,929
	Value	*Rx.*	9,291,686	7,915,409	10,110,482	12,877,740	13,385,971
	Average declared value of husked rice, per cwt. — *Rupees*		3 4 5	3 7 2	3 12 1	3 11 3	4 1 –
	Average declared value of husked rice, per cwt. — *Shillings, at average exchange*		4·61	4·71	5·18	5·58	5·66
4	Seeds:						
	Quantity	*Cwt.*	16,060,400	15,569,978	15,794,742	14,798,999	19,164,522
	Value	*Rx.*	9,385,024	9,561,756	10,627,553	9,343,252	12,208,458
	Average declared value of linseed, per cwt. — *Rupees*		5 13 8	5 15 8	6 10 –	6 2 9	6 4 –
	Average declared value of linseed, per cwt. — *Shillings, at average exchange*		8·24	8·16	9·15	9·3	8·71
5	Opium:						
	Quantity	*Chests*	90,096	87,789	85,166	85,753	87,558
	Value	*Rx.*	10,067,764	10,508,081	10,115,936	9,261,815	9,562,261
	Average declared value per chest	*Rupees*	1,117	1,197	1,188	1,080	1,092
6	Jute:						
	Raw and manufactured—Value	*Rx.*	7,786,739	10,468,631	11,431,103	10,083,972	9,361,594
	Average declared value of raw jute per cwt. — *Rupees*		6 4 3	7 7 9	8 6 9	6 5 6	8 0 5
	Average declared value of raw jute per cwt. — *Shillings, at average exchange*		8·82	10·21	11·63	9·56	11·19
	Percentage of manufactures on whole value exported		22·43	24·56	24·42	24·61	26·84
7	Tea:						
	Quantity	*Lbs.*	87,514,505	97,011,112	103,760,104	107,014,993	120,149,407
	Value	*Rx.*	5,174,440	5,267,315	5,277,650	5,219,233	5,968,129
	Average declared value per lb. — *Annas*		*As.* 9 6	*As.* 8 8	*As.* 8 2	*As.* 7 10	*As.* 7 11
	Average declared value per lb. — *Shillings, at average exchange*		·84	·74	·7	·74	·69
8	Hides and Skins:						
	Quantity	*No.*	30,914,151	32,357,166	30,955,168	32,733,651	35,862,345
	Value	*Rx.*	4,852,382	4,743,546	4,524,261	4,695,919	5,186,002
	Percentage of dressed or manufactured on whole value exported		52·07	55·11	55·79	53·99	54·36
9	Indigo:						
	Quantity	*Cwt.*	139,644	142,447	157,116	118,425	125,327
	Value	*Rx.*	3,890,649	3,948,594	3,863,084	3,073,125	3,214,076
	Average declared value per cwt. — *Rupees*		278 9 9	277 3 1	245 14 –	259 8 –	256 7 3
	Average declared value per cwt. — *Sterling, at average exchange*	£.	19·62	18·92	16·97	19·56	17·88
10	Coffee:						
	Quantity	*Cwt.*	273,775	365,299	239,795	233,451	311,864
	Value	*Rx.*	1,529,680	1,884,243	1,489,872	1,454,985	1,998,659
	Average declared value per cwt. — *Rupees*		55 14 –	51 9 4	62 2 1	62 5 2	64 1 5
	Average declared value per cwt. — *Shillings, at average exchange*		78·68	70·41	85·77	93·95	89·37
11	Wool:						
	Raw and manufactured—Value	*Rx.*	1,086,404	1,090,858	1,211,438	1,072,489	1,108,653
	Average declared value of raw wool per lb. — *Annas*		*As.* 6 6	*As.* 7 1	*As.* 7 3	*As.* 7 3	*As.* 7 3
	Average declared value of raw wool per lb. — *Pence, at average exchange*		6·86	7·25	7·51	8·2	7·58
12	Lac:						
	Value	*Rx.*	501,888	401,078	489,380	781,945	751,474
13	Silk:						
	Raw and manufactured—Value	*Rx.*	860,107	807,238	900,539	724,249	702,584
	Average declared value of raw silk per lb. — *Rupees*		2 15 4	2 7 1	3 1 –	2 15 4	3 1 11
	Average declared value of raw silk per lb. — *Shillings, at average exchange*		4·17	3·33	4·23	4·46	4·35
14	Oils:						
	Value	*Rx.*	471,055	430,306	543,945	551,902	583,811
15	Sugar:						
	Value	*Rx.*	465,829	550,339	917,179	417,562	508,417
16	Teak Wood:						
	Quantity	*Cubic Tons*	40,446	52,609	71,342	42,803	48,190
	Value	*Rx.*	367,274	575,263	762,998	425,303	474,852
	Average declared value per cubic ton — *Rupees*		90 12 11	109 5 7	106 15 2	99 5 10	98 8 7
	Average declared value per cubic ton — *Sterling, at average exchange*	£.	6·39	7·46	7·38	7·49	6·87
17	Saltpetre:						
	Quantity	*Cwt.*	386,396	420,503	422,229	399,690	389,185
	Value	*Rx.*	364,016	401,801	411,276	380,059	365,618
	Average declared value per cwt. — *Rupees*		9 6 9	9 8 11	9 11 10	9 8 2	9 6 4
	Average declared value per cwt. — *Shillings, at average exchange*		13·27	13·04	13·45	14·34	13·1

APPENDIX III.—*continued.*

TABLE II.—SEA-BORNE TRADE for the Year, &c.—*continued.*

No.	IMPORTS.	1887–88.	1888–89.	1889–90.	1890–91.	1891–92.
1	Cotton—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	51,543,277	52,587,342	46,383,843	50,973,105	50,410,630
	Value - - - - - - - - - *Rx.*	3,582,033	3,746,983	3,482,747	3,768,505	3,514,763
	Average declared value per lb. *Annas* - - - - - -	11·12	11·4	12·01	11·83	11·16
	Average declared value per lb. *Pence, at average exchange* - -	11·74	11·67	12·43	13·37	11·67
	Other Manufactures:					
	Value - - - - - - - - - *Rx.*	23,930,241	27,773,247	26,398,597	27,248,395	25,180,682
	TOTAL COTTON GOODS—Gross Imports - *Rx.*	27,512,274	31,520,230	29,881,344	31,016,900	28,695,445
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	*1,058,963*	*1,601,596*	*1,270,444*	*1,243,380*	*1,648,822*
	Value - - - - - - - - - *Rx.*	*69,345*	*111,514*	*91,382*	*83,801*	*113,665*
	Other Manufactures:					
	Value - - - - - - - - - *Rx.*	*1,648,312*	*1,705,167*	*1,728,358*	*1,710,493*	*1,817,165*
	Total Re-exports - *Rx.*	*1,717,657*	*1,816,681*	*1,819,740*	*1,794,294*	*1,930,830*
	TOTAL COTTON GOODS—Net Imports - *Rx.*	25,794,617	29,703,549	28,061,604	29,222,606	26,764,615
2	Metals - - - - - - - - - *Value Rx.*	5,575,392	4,406,283	5,983,709	6,024,466	6,033,543
3	Silk (Raw and Manufactured) - - - - „	2,918,139	2,588,105	2,845,159	2,501,430	3,014,698
4	Oils - - - - - - - - - „	1,486,791	2,072,825	2,645,213	2,634,187	2,635,955
5	Sugar - - - - - - - - - „	2,113,617	1,790,939	2,200,049	3,399,888	2,561,996
6	Railway Plant and Rolling Stock - - - „	3,826,264	3,693,939	2,907,086	3,236,786	2,505,471
7	Machinery and Millwork - - - - - „	1,860,583	2,409,737	2,491,428	2,160,483	2,180,019
8	Woollen Manufactures - - - - - „	1,823,358	1,712,548	1,597,549	1,952,600	1,874,896
9	Provisions - - - - - - - - „	1,504,436	1,588,103	1,596,565	1,476,070	1,771,793
10	Liquors - - - - - - - - - „	1,506,667	1,508,962	1,489,121	1,438,081	1,449,411
11	Apparel - - - - - - - - - „	1,156,182	1,156,469	1,200,020	1,235,804	1,274,497
12	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - - - - - - *Tons*	821,626	843,743	609,218	799,149	759,709
	Value - - - - - - - - - *Rx.*	1,599,593	1,921,831	1,304,591	1,551,667	1,269,777
	Average declared value per ton *Rupees* - - - - - -	19·47	22·78	21·41	19·42	16·71
	Average declared value per ton *Shillings, at average exchange* - -	27·42	31·09	29·56	29·27	23·3
13	Spices - - - - - - - - - *Value Rx.*	931,518	855,228	852,350	813,115	797,196
14	Salt:					
	Quantity - - - - - - - - - *Tons*	423,897	398,810	410,808	395,243	373,953
	Value - - - - - - - - - *Rx.*	795,521	882,130	894,532	779,034	627,953
	Average declared value per ton - *Rupees* - - - - - -	18·77	22·12	21·77	19·71	16·79
	Average declared value per ton - *Shillings, at average exchange* - -	26·43	30·19	30·05	29·71	23·41

TABLE III.—SEA-BORNE TRADE for the first ELEVEN MONTHS of the Year. (Principal ARTICLES arranged in order of their DECLARED VALUE.)

	1888–89.	1889–90.	1890–91.	1891–92.	1892–93.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Value of commodities Exported, excluding gold and silver	86,405,227	92,285,086	89,726,199	97,121,568	94,711,513
Value of commodities Imported, excluding gold and silver	63,363,187	62,700,493	65,893,996	63,228,773	60,228,152
EXCESS EXPORTS - - - *Rx.*	23,042,040	29,584,593	23,832,203	33,892,795	34,483,361
Net Imports of silver - - - - - - - -	7,049,564	9,056,774	13,256,180	6,757,530	11,773,549
Net Imports of gold - - - - - - - -	2,300,924	4,431,684	5,289,211	2,761,390	—2,964,992
TOTAL NET IMPORTS of Gold and Silver - *Rx.*	9,350,488	13,488,458	18,545,391	9,518,920	8,808,557
GRAND TOTAL IMPORTS AND EXPORTS OF ALL KINDS - - - - - *Rx.*	162,375,711	171,994,205	178,052,317	175,181,053	177,280,074

APPENDIX III.—*continued.*

TABLE III.—SEA-BORNE TRADE for the first Eleven Months of the Year, &c.—*continued.*

No.	EXPORTS.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1888–89.	1889–90.	1890–91.	1891–92.	1892–93.
1	Cotton, Raw:					
	Quantity - - - - - *Cwt.*	4,343,723	5,064,849	5,014,020	3,736,951	4,181,924
	Value - - - - - *Rx.*	12,209,711	14,730,222	14,104,585	9,170,455	10,692,997
	Average value per lb. - - - R.	- 4 -	- 4 2	- 4 -	- 3 6	- 3 8
	Cotton Manufactures—					
	Twist and Yarn:					
	Quantity - - - - *Lbs.*	115,742,920	129,785,427	155,991,420	148,139,276	172,295,327
	Value - - - - - *Rx*	4,670,186	5,270,598	6,065,325	5,342,604	6,101,487
	Average value per lb. - - R.	- 6 5	- 6 6	- 6 3	- 5 9	- 5 8
	Other Manufactures - *Value Rx.*	1,089,368	932,973	1,057,389	1,121,810	1,210,584
	TOTAL COTTON (Raw and Manufactured) Value *Rx.*	17,969,265	20,933,793	21,227,299	15,634,869	18,005,068
2	Jute (Raw and Manufactured) *Value Rx.*	9,722,431	10,693,299	9,272,242	8,843,939	10,339,592
3	Seeds:					
	Quantity - - - - - *Cwt.*	14,602,851	14,556,904	13,340,316	17,331,454	14,361,625
	Value - - - - - *Rx.*	8,956,138	9,825,845	8,410,665	10,963,820	9,999,078
	Average value per cwt. - - R.	6 2 2	6 12 -	6 4 11	6 5 3	6 15 5
4	Rice and Paddy:					
	Quantity - - - - - *Cwt.*	17,551,552	21,784,829	28,562,506	27,020,659	21,785,151
	Value - - - - - *Rx.*	6,101,814	8,325,070	10,679,965	10,967,914	9,997,897
	Average value per cwt. - - R.	3 7 7	3 13 2	3 11 10	4 - 11	4 9 5
5	Opium:					
	Quantity - - - - *Chests*	79,069	79,391	79,747	80,924	70,275
	Value - - - - - *Rx.*	9,460,586	9,483,368	8,632,376	8,783,417	8,593,894
	Average value per chest - - R.	1,196 8 -	1,194 8 3	1,082 7 6	1,085 6 3	1,222 14 4
6	Wheat:					
	Quantity - - - - - *Cwt.*	16,826,208	13,389,833	13,505,683	28,587,884	14,518,292
	Value - - - - - *Rx.*	7,165,307	5,609,245	5,691,051	13,506,942	7,206,497
	Average value per cwt. - - R.	4 4 2	4 3 -	4 3 5	4 11 7	4 15 5
7	Tea:					
	Quantity - - - - - *Lbs.*	95,823,643	100,815,502	104,560,038	117,599,484	113,756,462
	Value - - - - - *Rx.*	5,209,695	5,150,253	5,103,727	5,861,567	6,240,197
	Average value per lb. - - - R.	- 8 8	- 8 2	- 7 10	- 8 -	- 8 9
8	Hides and Skins:					
	Quantity - - - - - *Cwt.*	757,970	712,413	732,613	773,551	773,485
	Value - - - - - *Rx.*	4,273,509	4,104,603	4,186,839	4,676,085	4,951,827
	Average value per cwt. - - R.	56 6 1	57 9 10	57 2 5	60 7 2	64 - 4
9	Indigo:					
	Quantity - - - - - *Cwt.*	133,055	147,377	111,715	121,165	122,498
	Value - - - - - *Rx.*	3,740,382	3,665,579	2,930,555	3,121,033	4,035,961
	Average value per cwt. - - R.	281 1 10	248 11 6	262 5 2	257 9 4	329 7 6
10	Coffee:					
	Quantity - - - - - *Cwt.*	285,559	170,096	195,785	211,201	203,830
	Value - - - - - *Rx.*	1,426,314	1,050,866	1,217,545	1,336,844	1,383,015
	Average value per cwt. - - R.	49 15 2	61 12 6	62 3 -	63 4 9	67 13 7
11	Wool (Raw and Manufactured) *Value Rx.*	1,005,633	1,124,592	932,654	1,016,880	1,127,055
12	Silk (Raw and Manufactured) „ *Rx.*	713,041	814,605	651,491	640,035	713,285
13	Lac - - - - - - „ *Rx.*	353,398	410,716	693,894	624,279	684,442
14	Oils - - - - - - „ *Rx.*	381,316	509,015	493,646	540,148	531,535
15	Teak Wood:					
	Quantity - - - *Cubic Tons*	48,476	65,668	38,867	42,131	53,811
	Value - - - - - *Rx.*	531,616	704,932	386,835	422,758	524,783
	Average value per cubic ton - R.	109 10 8	107 5 7	99 8 5	100 5 6	97 8 4
16	Sugar - - - - - *Value Rx.*	473,890	905,818	335,677	455,449	418,638
17	Saltpetre:					
	Quantity - - - - - *Cwt.*	387,800	367,316	351,749	337,410	407,946
	Value - - - - - *Rx.*	369,517	357,650	336,137	316,693	402,313
	Average value per cwt. - - R.	9 8 5	9 11 9	9 8 11	9 6 2	9 13 9

APPENDIX III.—*continued.*

TABLE III.—SEA-BORNE TRADE for the first Eleven Months of the Year, &c.—*continued.*

No.	IMPORTS.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1888–89.	1889–90.	1890–91.	1891–92.	1892 93.
1	Cotton—					
	Twist and Yarn:					
	Quantity - - - - - *Lbs.*	48,244,135	41,803,228	46,539,279	46,671,847	35,493,630
	Value - - - - - - *Rx.*	3,446,025	3,152,351	3,446,744	3,255,329	2,471,858
	Average value per lb. - - R.	- 11 5	- 12 1	- 11 10	- 11 2	- 11 2
	Ditto - in sterling, at average exchange.	11¾*d.*	1*s.* -¼*d.*	1*s.* 1⅝*d.*	11¼*d.*	10½*d.*
	Other Manufactures - *Value Rx.*	25,234,768	23,682,712	24,853,696	22,787,025	21,118,445
	TOTAL COTTON GOODS—Gross Imports - - *Rx.*	28,680,793	26,835,063	28,300,440	26,042,354	23,590,303
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - - Lbs.	*1,525,894*	*1,132,224*	*1,096,760*	*1,511,343*	*1,166,241*
	Value - - - - - - Rx.	*105,981*	*81,045*	*74,171*	*104,752*	*78,138*
	Average value per lb. - - R.	*- 11 1*	*- 11 5*	*- 10 10*	*- 11 1*	*- 10 9*
	Other Manufactures - Value Rx.	*1,537,878*	*1,615,772*	*1,566,313*	*1,646,278*	*1,565,503*
	Total Re-exports - - - Rx.	*1,643,859*	*1,696,817*	*1,640,484*	*1,751,030*	*1,643,641*
	TOTAL COTTON GOODS—Net Imports - - *Rx.*	27,036,934	25,138,246	26,659,956	24,291,324	21,946,662
2	Metals - - - - *Value Rx.*	3,946,321	5,439,002	5,455,500	5,415,524	5,197,191
3	Silk (Raw and Manufactured) - „	2,399,490	2,645,667	2,325,637	2,781,800	2,599,161
4	Oils - - - - - - „	1,889,829	2,374,897	2,333,735	2,380,008	2,502,659
5	Sugar - - - - - - „	1,581,145	1,933,813	3,151,785	2,343,207	2,411,613
6	Machinery and Millwork - „	2,184,992	2,289,336	1,990,591	2,003,485	2,210,797
7	Railway Plant and Rolling Stock. „	3,504,251	2,623,818	3,007,161	2,316,905	1,946,467
8	Provisions - - - - - „	1,472,321	1,491,481	1,371,276	1,635,619	1,737,506
9	Woollen Manufactures - - „	1,619,654	1,508,594	1,826,269	1,776,770	1,584,000
10	Liquors - - - - - - „	1,371,460	1,337,947	1,305,065	1,307,768	1,317,482
11	Apparel - - - - - - „	1,053,751	1,109,106	1,144,296	1,177,139	1,161,286
12	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - *Tons*	756,732	567,108	721,367	656,702	600,365
	Value - - - - - - *Rx.*	1,726,981	1,214,980	1,409,911	1,099,769	1,042,223
	Average value per ton - - - R.	22 13 2	21 6 9	19 8 9	16 11 11	17 5 9
13	Spices - - - - *Value Rx.*	755,248	799,190	738,982	722,841	562,398
14	Salt:					
	Quantity - - - - *Tons*	364,424	347,545	366,090	341,356	323,196
	Value - - - - - - *Rx.*	805,274	754,461	717,839	575,185	518,445
	Average value per ton - - - R.	22 1 7	21 11 4	19 9 9	16 13 7	16 - 8

APPENDIX III.—*continued.*

TABLE IV.—WHOLESALE PRICES of TYPICAL COMMODITIES in GOLD and SILVER in *London* and *Calcutta* in December in each Year.

(Prices of March 1873 = 100.)

	Measured in Gold.								Measured in Silver.*							
In LONDON— (Prices quoted from the London "Economist"):	1885.	1886.	1887.	1888.	1889.	1890.	1891.	1892.	1885.	1886.	1887.	1888.	1889.	1890.	1891.	1892.
Scotch pig iron (warrants)	35	37	37	35	50	40	40	35	45	48	49	50	68	50	54	54
Coals, Hetton, Wallsend (London).	51	51	49	51	63	55	52	48	66	67	66	71	86	69	71	73
Copper, Chili bars	45	43	95	87	55	62	52	53	58	56	127	121	75	79	70	82
Straits tin	64	69	115	68	67	64	63	64	81	89	153	95	92	80	85	97
Wheat	55	61	56	55	55	59	71	57	69	80	74	78	75	74	96	86
Flour, town-made	53	56	54	61	57	65	66	52	68	71	73	85	78	82	80	80
Beef, inferior	75	75	75	67	87	70	80	75	95	97	100	95	119	88	108	115
Cotton, No. 40, mule twist	64	60	62	65	64	68	57	57	82	77	84	91	88	85	77	87
Wool, Southdown hogs	51	59	55	54	59	59	59	55	65	76	73	75	80	74	79	84
Sugar, foreign Muscovado	60	42	56	53	45	55	58	51	77	55	75	75	61	69	78	78
Coffee	65	86	102	101	112	118	114	120	83	111	136	142	153	149	155	183
Saltpetre	78	77	77	77	78	78	77	77	100	99	103	107	107	99	103	118
Gold	–	–	–	–	–	–	–	–	127	130	134	140	137	126	135	153
Silver	79	77	75	71	73	79	74	65	–	–	–	–	–	–	–	–
In CALCUTTA—(Prices quoted from the Calcutta "Price Current"):																
Grey shirtings (8¼ lbs.)									80	81	79	81	76	74	74	77
Mule twist, white, good, No. 40									71	62	72	75	74	71	65	73
" " Turkey red, No. 40 (12 lbs.)									57	58	58	57	57	56	57	61
" " Orange, Nos. 40—160									73	75	86	85	85	77	73	76
Copper sheathing									58	65	90	90	69	72	72	80
Iron, flat, bolt, bar, and square									50	53	59	65	79	64	64	97
Spelter, hard									97	109	128	107	144	151	151	217
Hides, buffalo, slaughtered									77	80	69	74	Nom.	Nil	Nil	Nil.
Indigo, good									110	72	82	93	76	88	74	114
Jute, picked									118	131	153	192	192	123	219	186
Shell lac, fine orange									59	56	68	76	102	76	102	Nom.
Linseed, fine, bold, clean									101	98	94	112	115	99	112	128
Rice, Ballam									176	106	118	147	165	159	168	196
Silk, raw, Cossimbazar									73	89	64	76	87	71	64	79
Ten, good Souchong									64	55	50	52	50	48	41	59
Wheat, Doodish									72	81	76	87	81	86	103	96
Gold									122	123	131	135	131	122	131	148

* The values measured in silver in London have been calculated from the values in gold on the basis of the price of standard silver in London.

APPENDIX III.—*continued.*

TABLE V.—STATEMENT showing the true Financial Results to the REVENUES of *India* of the Guarantee of Interest upon the Capital of GUARANTEED RAILWAY COMPANIES.

	1887–88.	1888–89.	1889–90.	1890–91.	1891–92.	Revised Estimate, 1892–93.	Budget Estimate, 1893–94.
	Miles.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open Mileage at end of official year.	3,912	*3,241	3,243	†2,588	2,588	2,588	2,588
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Gross Traffic Receipts - - -	7,241,465	7,403,415	6,534,567	6,753,013	6,846,420	6,360,000	6,335,000
Working Expenses - - -	3,604,795	3,752,607	3,365,933	3,251,739	3,353,302	3,100,000	3,100,000
Percentage of Working Expenses on Receipts - - - -	49·78	50·68	51·50	48·15	48·98	48·74	48·93
Net Traffic Receipts - - -	3,636,670	3,650,808	3,168,634	3,501,274	3,493,118	3,260,000	3,235,000
Net Gain by the remittance to England of Capital Receipts and Disbursements in India at the contract rates of exchange, instead of at the average yearly rates obtained for the Secretary of State's Bills - - - -	—	—	—	—	—	—	—
TOTAL Revenue - - -	3,636,670	3,650,808	3,168,634	3,501,274	3,493,118	3,260,000	3,235,000
Gross Guaranteed Interest paid in India - - - - *Rx.*	25,595	6,672	9,468	7,597	37,171	2,800	2,600
Gross Guaranteed Interest paid in London - - - - £.	2,694,920	2,697,388	2,337,058	2,354,130	2,114,159	2,145,300	2,154,900
Total Guaranteed Interest (sterling payments converted at the average exchange of the year) -	*Rx.* 3,852,947	*Rx.* 3,959,108	*Rx.* 3,395,279	*Rx.* 3,130,941	*Rx.* 3,069,480	*Rx.* 3,435,300	*Rx.* 3,508,900
Surplus paid to Railway Companies - - - - -	662,622	570,195	441,933	473,334	737,659	582,100	562,800
Land and Supervision - - -	51,436	44,344	30,952	42,987	19,257	29,900	50,400
Interest on Revenue Balances -	2,265	3,288	—	—	—	—	—
Net Loss on Receipts and Disbursements of Capital in India, calculated in the same way as the Gain - - - - -	78,683	86,909	142,733	87,538	131,960	159,000	138,600
TOTAL Expenditure - - -	4,647,953	4,663,844	4,010,897	3,734,800	3,958,306	4,206,300	4,260,700
Net Expenditure from the Public Treasury - - - - -	1,011,283	1,013,036	842,263	233,526	465,188	946,300	1,025,700
Net Revenue - - - -	—	—	—	—	—	—	—

* The Oudh and Rohilkhand Railway, 692 miles, was purchased by the State on the 1st January 1889, and the mileage is shown under State Railways.

† The South Indian Railway, 654¼ miles, was purchased by the State on the 31st December 1890, and the mileage is shown under State Railways.

APPENDIX III.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS in 1891–92, and ESTIMATED EXPENDITURE on such Works in 1892–93 and 1893–94, and to end of 1893–94.

RAILWAYS.	Accounts, 1891–92.	Revised Estimate, 1892–93.	Budget Estimate, 1893–94.	To end of 1893–94.	Sanctioned Outlay.	Balance remaining unspent.
OPEN LINES.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	—75,061	599,400	162,300	15,002,970	15,002,970	—
Rajputana-Malwa	—44,316	64,100	32,700	9,361,763	9,361,763	—
Holkar	2,566	1,800	3,500	1,309,955	1,309,955	—
Rewari-Ferozepore	6,924	400	5,000	1,286,262	1,286,262	—
Bhopal	19,654	27,000	26,800	221,423	221,423	—
Warora Colliery	1,267	—400	47,600	202,642	202,642	—
Wardha Coal	—27,810	700	1,500	500,320	500,320	—
Umaria Colliery	7,179	100	5,500	105,609	105,609	—
Burma, including Tounghoo-Mandalay	45,882	36,600	43,200	5,266,866	5,266,866	—
Jorhat	273	3,000	1,300	79,467	79,467	—
Cherra-Companygunj	2	600	- -	77,983	77,983	—
Eastern Bengal	128,340	133,700	146,800	8,492,738	8,492,738	—
Tirhoot	36,011	124,000	19,800	2,504,903	2,504,903	—
Patna-Gya	336	—435,000	- -	11	11	—
Nalhati	1,610	—36,500	- -	—22	—22	—
Kaunia-Dhurla	775	- -	- -	97,251	97,251	—
Oudh and Rohilkhand	2,119	—24,300	59,900	10,399,464	10,399,464	—
Cawnpore-Achnera	1,713	7,200	7,500	1,162,715	1,162,715	—
Lucknow-Bareilly	2,300	- -	- -	512,114	512,114	—
North Western	300,807	425,000	286,300	35,729,372	35,729,372	—
Amritsar-Pathankot	—661					
South Indian	176,932	—164,200	113,700	7,362,444	7,362,444	—
Bezvada Extension	1,913	500	500	142,672	142,672	—
Dhond and Manmad	6,191	3,800	16,900	1,126,336	1,126,336	—
TOTAL	594,946	767,500	980,800	100,945,258	100,945,258	—
LINES UNDER CONSTRUCTION.						
East Indian—Jherria Extension	- -	190,000	110,000	300,000	367,921	67,921
Godhra-Rutlam	204,501	580,000	385,000	1,255,904	1,615,477	359,573
Burma-Meiktila Branch	1,057	26,900	- -	28,111	30,342	2,231
Mu Valley	506,200	447,600	395,000	1,966,936	2,879,554	912,618
Assam-Bengal, Northern Section	47,876	—47,900	- -	—24	- -	24
Eastern Bengal—Barsoe-Kissengunge Branch	87,420	43,200	- -	130,620	139,506	8,886
Lucknow-RaeBareli-Benares	31,855	154,600	80,000	266,455	*298,939	32,484
Bareilly-Rampur-Moradabad	18,626	296,700	268,600	583,926	731,925	147,999
Petroleum Operations	—5,751	1,800	- -	14,772	14,772	—
Frontier Railway Reserve Material	23,996	33,000	5,500	430,388	430,388	—
Peshawar Railway Reserve	35,750	1,000	- -	36,750	138,743	101,993
Mushkaf-Bolan	182,369	255,900	600,000	1,039,932	1,990,000	950,068
Mari-Attock	68,114	204,400	50,000	322,514	1,182,012	859,498
East Coast, including Kistna Bridge	1,303,738	1,248,900	918,000	3,787,385	5,048,075	1,260,690
Mayavaram-Mutupet	42,662	87,500	67,500	226,274	270,155	43,881
Dharmavaram-Hindupur	111,694	100,000	17,800	591,970	793,417	201,447
Guntakul-Dharmavaram	- -	358,800				
Palanpur-Deesa	- -	12,000	9,200	21,200	21,267	67
Assam-Bengal (Land)	- -	18,000	40,000	58,000	108,709	50,709
Hyderabad-Umarkot	117,221	43,300	6,300	170,461	187,129	16,668
TOTAL	2,777,328	4,055,700	2,952,900	11,231,574	16,248,331	5,016,757
Carried forward	3,372,274	4,823,200	3,933,700	112,176,832	117,193,589	5,016,757

* Estimated cost of Lucknow-RaeBareli Section only.

APPENDIX III.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS, &c.—*continued.*

RAILWAYS.	Accounts, 1891-92.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.	To end of 1893-94.	Sanctioned Outlay.	Balance remaining unspent.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward - - -	3,372,274	4,823,200	3,933,700	112,176,832	117,193,589	5,016,757
LINES IN ABEYANCE OR TRANSFERRED TO COMPANIES.						
Ranaghat-Bhagwangola - - - - -	- -	- -	- -	30,244	30,244	—
Southern Mahratta - - - - - -	- -	- -	- -	* 52,707	52,707	—
Bellary-Kistna - - - - - - -	6	300	- -	1,657,808	1,657,808	—
Bilaspur-Etawah - - - - - - -	- -	- -	- -	7,514	7,514	—
Vizagapatam-Raipur - - - - - -	- -	- -	- -	24,504	24,504	—
TOTAL - - -	6	300	- -	1,772,777	1,772,777	—
Stores and Reserve - - - - - -	62,569	—88,500	12,900	55,650	55,650	—
Nagpur-Chhattisgarh Depreciation Account -	—16,485	—11,500	—17,200	46,598	46,598	—
TOTAL - - -	3,418,364	4,723,500	3,929,400	114,051,857	119,068,614	5,016,757
Distributed as under :—						
Capital Expenditure on Public Works (not charged against Revenue) :						
State Railways—Construction -	2,770,336	3,436,700	2,800,000	68,598,388	—	—
Redemption of Liabilities - -	- -	- -	- -	33,553,451	—	—
Famine Relief and Insurance :						
Protective Railways - - -	484,795	993,900	1,054,300	5,466,974	—	—
Construction of Railways (charged against Revenue in addition to that under Famine Insurance) - - -	163,233	292,900	75,100	6,433,044	—	—
TOTAL as above - - -	3,418,364	4,723,500	3,929,400	114,051,857	119,068,614	5,016,757

* Represents depreciation on works and stores allowed by Government on transfer to the Company.

APPENDIX III.—*continued.*

TABLE VII.—CAPITAL EXPENDITURE on IRRIGATION—MAJOR WORKS, in 1891-92, and ESTIMATED EXPENDITURE on such Works in 1892-93, 1893-94, and to the end of 1893-94, &c.

	Accounts, 1891-92.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.	Total Actual and Estimated Outlay to end of 1893-94.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
IRRIGATION WORKS. CAPITAL EXPENDITURE NOT CHARGED AGAINST REVENUE.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Bengal.						
Orissa Canals - - - - - -	38,874	37,800	42,500	2,540,962	3,139,622	598,660
Midnapore Canal:						
Old outlay - - - - - - -	- -	- -	- -	822,251	831,677	—
Outlay against Open Capital sanctions -	1,447	200	- -	3,820	5,632	1,812
Hidgellee Tidal Canal:						
Old outlay - - - - - - -	- -	- -	- -	179,549	177,269	—
Outlay against Supplementary Estimate	21,492	4,900	10,000	58,622	76,915	18,293
Son Canals:						
Old outlay - - - - - - -	- -	- -	- -	2,552,628	2,788,870	—
Outlay against Open Capital sanctions -	20,410	15,400	17,500	53,481	70,571	17,090
North Western Provinces and Oudh.						
Ganges Canal:						
Old outlay - - - - - - -	-	- -	- -	2,685,061	2,923,592	—
Outlay against Open Capital sanctions -	16,905	13,500	19,100	49,505	32,020	--
Lower Ganges Canal:						
Old outlay - - - - - - -	- -	- -	- -	3,099,851	3,273,832	—
Outlay against Open Capital sanctions -	21,711	17,100	35,100	73,911	17,321	—
Agra Canal:						
Old outlay - - - - - - -	- -	- -	- -	849,147	871,752	—
Outlay against Open Capital sanctions -	2,516	2,200	9,300	14,016	3,294	—
Eastern Jumna Canal:						
Old outlay - - - - - - -	- -	- -	- -	318,507	344,191	—
Outlay against Open Capital sanctions -	6,502	4,400	6,500	17,402	5,752	—
Punjab.						
Western Jumna Canal:						
Old outlay - - - - - - -	- -	- -	- -	1,051,643	1,078,050	—
Outlay against Open Capital sanctions -	4,692	11,900	28,000	55,406	33,582	—
Western Jumna Canal, Sirsa Branch (State outlay).	56,771	63,900	62,300	242,886	289,269	46,383
Bari Doab Canal:						
Old outlay - - - - - - -	- -	- -	- -	1,572,350	1,579,860	—
Outlay against Open Capital sanctions -	2,137	26,200	60,000	96,379	93,922	—
Carried forward - - -	195,457	197,500	290,300	16,337,377	—	—

APPENDIX III.—*continued.*

TABLE VII.—CAPITAL EXPENDITURE on IRRIGATION, &c.—*continued.*

	Accounts, 1891-92.	Revised Estimate, 1892-93.	Budget Estimate, 1893-94.	Total Actual and Estimated Outlay to end of 1893-94.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward - - -	195,457	197,500	290,300	16,337,377	—	—
Punjab—continued.						
Sirhind Canal (State outlay):						
Old outlay - - - - - - - -	- -	- -	- -	2,188,086	2,226,440	—
Outlay against Open Capital sanctions -	33,499	15,000	9,500	83,355	89,701	6,346
Chenab Canal (including Extension) - -	350,635	153,000	180,000	1,238,451	2,568,418	1,329,967
Madras.						
Godavari Delta System:						
Old outlay - - - - - - - -	- -	- -	- -	1,083,383	1,108,933	—
Outlay against Open Capital sanctions -	6,655	500	- -	8,055	9,922	1,867
Kistna Delta System - - - - -	42,890	32,700	47,100	1,053,563	1,391,978	338,415
Sangam Anicut System - - - - -	1,649	2,700	5,400	307,736	313,000	5,264
Periyar Project - - - - - - -	110,248	129,700	117,500	624,058	542,500	—
Bombay.						
Desert Canal - - - - - - -	388	200	- -	122,289	123,479	1,190
Begari Canal - - - - - - -	- -	- -	- -	162,561	162,561	—
Eastern Nara Works - - - - -	8,517	16,400	24,100	562,082	532,799	—
Mutha Canals - - - - - - -	10	12,300	14,200	634,493	621,421	—
Other projects - - - - - - -	5,168	8,000	(*a*)86,800	3,357,411	—	—
	755,116	568,000	774,900	27,762,900	—	—
Deduct,—Outlay incurred from ordinary Revenues - - - - - - -	25,452	18,000	24,900	5,532,885	—	—
TOTAL - - -	729,664	550,000	750,000	22,230,015	—	—
FAMINE RELIEF AND INSURANCE.						
PROTECTIVE IRRIGATION WORKS.						
North Western Provinces and Oudh.						
Betwa Canal - - - - - - - -	990	1,200	1,800	400,498	425,141	24,643
Punjab.						
Swat River Canal - - - - - -	1,000	- -	5,700	354,289	354,581	292
Madras.						
Rushikulya Project - - - - - -	64,047	49,800	45,000	342,273	394,000	51,727
Bombay.						
Nira Canal - - - - - - - -	11,844	10,400	12,100	520,178	487,938	—
Other projects - - - - - - -	50	1,600	400	411,466	—	—
	77,931	63,000	65,000	2,028,704	—	—
Deduct,—Outlay incurred from ordinary Revenues - - - - - - -	- -	- -	- -	285,434	—	—
TOTAL - - -	77,931	63,000	65,000	1,743,270	—	—
GRAND TOTAL - - -	807,595	613,000	815,000	23,973,285	—	—

(*a*) Includes Rx. 70,000 held in reserve.

APPENDIX III.—*continued*

TABLE VIII.—GROSS RECEIPTS, WORKING EXPENSES, and NET TRAFFIC RECEIPTS, of GUARANTEED and STATE RAILWAYS, for Five Years ending 1891-92, with REVISED ESTIMATES for 1892-93, and BUDGET ESTIMATES for 1893-94.

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1887-88.	1888-89.	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.
GUARANTEED RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	3,896	3,912	* †3,241	3,243	‡ 2,588	2,588	2,588
Gross Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Madras	821,527	861,715	942,442	963,219	946,852	975,000	975,000
South Indian	506,398	551,270	582,050	468,015	—	—	—
Bombay, Baroda, and Central India	1,227,163	1,300,596	1,308,085	1,325,745	1,422,292	1,425,000	1,400,000
Great Indian Peninsula	3,984,601	4,208,148	3,701,990	3,996,034	4,477,276	3,960,000	3,960,000
Oudh and Rohilkhand	701,776	481,686	—	—	—	—	—
TOTAL	7,241,465	7,403,415	6,534,567	6,753,013	6,846,420	6,360,000	6,335,000
Working Expenses.							
Madras	513,922	498,676	536,576	497,965	548,941	540,000	540,000
South Indian	372,378	382,017	377,325	281,260	—	—	—
Bombay, Baroda, and Central India	520,158	559,640	559,210	537,342	599,948	580,000	560,000
Great Indian Peninsula	1,842,185	1,999,032	1,892,822	1,935,172	2,204,413	1,980,000	2,000,000
Oudh and Rohilkhand	356,152	313,242	—	—	—	—	—
TOTAL	3,604,795	3,752,607	3,365,933	3,251,739	3,353,302	3,100,000	3,100,000
Net Traffic Receipts.							
Madras	307,605	363,039	405,866	465,254	397,911	435,000	435,000
South Indian	134,020	169,253	204,725	186,755	—	—	—
Bombay, Baroda, and Central India	707,005	740,956	748,875	788,403	822,344	845,000	840,000
Great Indian Peninsula	2,142,416	2,209,116	1,809,168	2,060,862	2,272,863	1,980,000	1,960,000
Oudh and Rohilkhand	345,624	168,444	—	—	—	—	—
TOTAL	3,636,670	3,650,808	3,168,634	3,501,274	3,493,118	3,260,000	3,235,000
STATE RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	8,081	8,979	§ 10,407	11,055	‖ 12,757	13,106	13,506
Gross Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	4,603,216	4,471,119	4,474,030	4,428,495	4,957,632	4,890,300	4,950,300
Dildarnagar-Ghazipur	4,833	4,604					
Rajputana-Malwa	1,698,296	1,903,833	1,938,223	1,851,105	2,205,116	2,240,000	2,210,000
Sindia	45,739	37,080	7,108	—	—	—	—
Bhopal	4,976	5,512	7,916	8,777	13,088	16,000	18,000
Warora Colliery	78,021	88,442	82,187	90,930	54,425	54,000	54,000
Wardha Coal					25,897	23,300	24,000
Bengal-Nagpur	137,477	163,517	218,157	319,391	637,317	607,500	650,000
Katni-Umaria	8,125	—	—	—	—	—	—
Umaria Colliery	11,447	17,822	26,408	33,979	27,996	34,000	36,200
Burma	331,041	314,241	348,338	376,678	406,038	695,000	710,000
Tounghoo-Mandalay	-	31,901	161,449	193,310	210,027	—	—
Mu Valley	-	-	-	-	13,614	22,500	35,000
Jorhat	4,968	5,964	6,046	6,198	6,402	6,700	6,700
Cherra-Companygunj	1,220	620	1,235	1,713	1,953	2,000	2,300
Eastern Bengal	958,431	1,070,589	1,145,727	1,220,112	1,146,384	1,180,000	1,180,000
Tirhoot	180,506	170,854	211,182	69,726	—	—	—
Bengal and North Western and Tirhoot	-	-	-	320,600	488,854	527,500	530,000
Nalhati	9,405	10,459	10,444	10,008	9,235	—	—
Patna-Gya	52,887	49,895	52,151	51,749	60,771	28,600	—
Bengal Central	75,538	72,389	72,991	74,047	76,110	77,000	78,000
Oudh and Rohilkhand	-	174,788	784,746	734,471	879,286	845,000	870,000
Benares Branch	175	700					
Indian Midland	30,563	108,154	314,730	331,908	436,012	452,500	467,500
Bareilly-Pilibhit	9,558	9,350	10,985	9,954	1,991	—	—
Lucknow-Sitapur-Seramau	18,305	25,428	31,888	33,729	—	—	—
Lucknow-Bareilly	-	-	-	7,356	56,314	66,000	70,000
North Western	2,188,185	2,573,190	2,905,416	2,730,774	3,309,010	2,560,000	2,800,000
Amritsar-Pathankot	7,350	8,738	10,154	11,225	11,224	—	—
South Indian	-	-	-	147,044			
Villupuram-Guntakal	-	-	-	1,995	725,984	790,000	810,000
Villupuram-Guntakal—Nellore Branch	4,845	23,566	25,454	24,260			
Bellary-Kistna	6,181	—	—	—	—	—	—
Mysore	51,481	59,014	101,156	122,768	134,356	152,500	152,500
Bezváda Extension	-	-	7,667	7,473	8,737	9,800	40,000
East Coast	-	-	-	-	-	-	25,000
Dhond and Manmad ¶	22,734	25,545	24,943	26,313	30,858	32,700	33,400
Southern Mahratta	326,423	399,806	407,133	457,136	477,303	460,000	500,000
Guntakul-Hindupur	-	-	-	-	-	-	24,600
Hyderabad-Umarkot	-	-	-	-	-	6,500	14,000
TOTAL	10,871,926	11,827,120	13,387,864	13,703,224	16,411,934	15,779,400	16,291,500

* The Bellary Branch of the Madras Railway, 33 miles in length, having been transferred to the Southern Mahratta Railway, the mileage is shown under State Railways.

† The Oude and Rohilkhand Railway, 692 miles, was purchased by the State on 1st January 1889, and the mileage is shown under State Railways.

‡ The South Indian Railway, 654½ miles, was purchased by the State on the 1st January 1891, and the mileage is shown under State Railways.

§ Includes the length of the Oudh and Rohilkhand Railway.

‖ Includes the length of the South Indian and Bengal and North Western Railways.

¶ The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.

APPENDIX III.—*continued.*

TABLE VIII.—RECEIPTS AND EXPENSES OF RAILWAYS, &c.—*continued.*

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1887-88.	1888-89.	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.
STATE RAILWAYS—*continued.*							
Working Expenses.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	1,662,581	1,689,946	1,682,537	1,484,563	1,643,008	1,600,000	1,615,000
Dildarnagar-Ghazipur	2,245	2,195					
Rajputana-Malwa	907,154	970,424	1,020,867	926,066	1,087,885	1,065,000	1,070,000
Sindia	21,322	17,703	3,372	—	—	—	—
Bhopal	4,457	4,977	8,458	10,434	8,228	10,300	12,000
Warora Colliery	68,028	61,323	57,343	64,772	43,149	49,700	48,400
Wardha Coal					19,952	20,300	13,200
Bengal-Nagpur	86,760	127,058	147,176	234,881	303,037	317,500	325,000
Katni-Umaria	9,600	—	—	—	—	—	—
Umaria Colliery	2,634	20,363	22,418	23,681	25,976	33,000	32,400
Burma	175,841	189,876	204,756	207,845	228,128	340,000	350,000
Tounghoo-Mandalay	-	32,545	120,702	108,278	110,167	—	—
Mu Valley	-	-	-	-	12,039	53,000	55,000
Jorhat	6,441	5,707	6,231	5,797	6,090	6,000	6,100
Cherra-Companygunj	3,716	2,116	2,672	1,917	1,909	1,700	2,100
Eastern Bengal	481,139	490,105	510,317	542,205	626,279	537,500	540,000
Tirhoot	106,156	96,254	90,553	31,093	2,216	—	—
Bengal and North Western and Tirhoot	-	-	-	131,952	415,490	380,000	380,000
Nalhati	6,192	8,541	7,594	7,832	4,818	—	—
Patna-Gya	24,613	23,786	25,395	23,739	25,983	12,300	—
Bengal Central	67,611	51,147	45,648	49,263	57,001	53,500	55,000
Oudh and Rohilkhand	-	54,558	343,935	350,043	381,473	375,000	390,000
Benares Branch	69	80					
Indian Midland	20,098	69,512	234,086	254,146	267,555	280,000	275,000
Bareilly-Pilibhit	6,766	6,592	7,300	7,893	—	—	—
Lucknow-Sitapur-Seramau	14,998	18,153	21,266	23,529	—	—	—
Lucknow-Bareilly	-	-	-	4,428	33,108	43,000	44,000
North Western	1,633,529	1,742,526	1,856,235	1,749,515	1,953,535	1,670,000	1,835,000
Amritsar-Pathankot	—	—	—	—	—	—	—
South Indian	-	-	-	70,577	497,698	497,500	500,000
Villupuram-Guntakal	-	-	-	1,344	—		
Villupuram-Guntakal—Nellore Branch	9,154	27,060	18,369	17,149	—		
Bellary-Kistna	8,519	—	—	—	—	—	—
Mysore	42,426	47,744	90,598	96,446	102,932	106,000	105,000
Bezváda Extension	-	-	6,083	5,837	5,828	7,300	28,000
East Coast	-	-	-	-	-	-	20,000
Dhond and Manmad*	—	—	—	—	—	—	—
Southern Mahratta	222,138	298,965	330,529	336,715	350,996	338,000	360,000
Guntakul-Hindupur	-	-	-	-	-	-	16,300
Hyderabad-Umarkot	-	-	-	-	-	5,803	10,000
TOTAL	5,594,187	6,059,256	6,864,440	6,771,940	8,214,480	7,802,400	8,087,500
Net Traffic Receipts.							
East Indian	2,940,635	2,781,173	2,791,493	2,943,932	3,314,624	3,290,300	3,335,300
Dildarnagar-Ghazipur	2,588	2,409					
Rajputana-Malwa	791,142	933,409	917,356	925,039	1,117,231	1,175,000	1,140,000
Sindia	24,417	19,377	3,736	—	—	—	—
Bhopal	519	535	— 542	— 1,657	4,861	5,700	6,000
Warora Colliery	9,993	27,119	24,844	26,158	11,276	4,300	5,600
Wardha Coal					5,945	3,000	10,800
Bengal-Nagpur	50,717	36,459	70,981	84,510	334,280	290,000	325,000
Katni-Umaria	— 1,475	—	—	—	—	—	—
Umaria Colliery	8,813	— 2,541	3,990	10,298	2,020	1,000	3,800
Burma	155,200	124,365	143,582	168,833	177,910	355,000	360,000
Tounghoo-Mandalay	-	— 644	40,747	85,032	99,861	-	-
Mu Valley	—	—	—	—	1,575	—30,500	—20,000
Jorhat	— 1,473	257	— 185	401	311	700	600
Cherra-Companygunj	— 2,496	— 1,496	— 1,437	— 204	44	300	200
Eastern Bengal	477,292	580,484	635,410	677,907	520,104	642,500	640,000
Tirhoot	74,350	74,600	120,629	38,633	—2,216	—	—
Bengal and North Western and Tirhoot	-	-	-	188,648	73,364	147,500	150,000
Nalhati	3,213	1,918	2,850	2,176	4,418	—	—
Patna-Gya	28,274	26,109	26,756	28,010	34,788	16,300	—
Bengal Central	7,927	21,242	27,343	24,784	19,109	23,500	23,000
Oudh and Rohilkhand	-	120,230	440,811	384,428	497,813	470,000	480,000
Benares Branch	106	620					
Indian Midland	10,465	38,642	80,644	77,762	168,457	172,500	192,500
Bareilly-Pilibhit	2,792	2,758	3,685	2,061	1,991	—	—
Lucknow-Sitapur-Seramau	3,307	7,275	10,622	10,200	—	—	—
Lucknow-Bareilly	-	-	-	2,928	23,206	23,000	26,000
North Western	554,656	830,664	1,049,181	981,259	1,355,475	890,000	965,000
Amritsar-Pathankot	7,350	8,738	10,154	11,225	11,224	—	—
South Indian	-	-	-	76,467	228,286	292,500	310,000
Villupuram-Guntakal	-	-	-	651	—		
Villupuram-Guntakal—Nellore Branch	— 4,309	— 3,494	7,085	7,111	—		
Bellary-Kistna	— 2,338	—	—	—	—	—	—
Mysore	9,055	11,270	10,558	26,322	31,423	46,500	47,500
Bezváda Extension	-	-	1,584	1,636	2,909	2,500	12,000
East Coast	-	-	-	-	-	-	5,000
Dhond and Manmad*	22,734	25,545	24,943	26,313	30,858	32,700	33,400
Southern Mahratta	104,285	100,841	76,604	120,421	126,307	122,000	140,000
Guntakul-Hindupur	-	-	-	-	-	-	8,300
Hyderabad-Umarkot	-	-	-	-	-	700	4,000
TOTAL	5,277,739	5,767,864	6,523,424	6,931,284	8,197,454	7,977,000	8,204,000

* The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives percentage of the gross receipts.

APPENDIX III.—*continued.*

TABLE IX.—GROSS RECEIPTS, WORKING EXPENSES, and NET EARNINGS of IRRIGATION—MAJOR WORKS, for Five Years ending 1891–92, with REVISED ESTIMATE for 1892–93, and BUDGET ESTIMATE for 1893–94.

	ACTUALS.					Revised Estimate,	Budget Estimate,
	1887–88.	1888–89.	1889–90.	1890–91.	1891–92.	1892–93.	1893–94.
DIRECT RECEIPTS:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Orissa Canals	22,304	24,351	30,422	34,501	37,100	45,000	34,000
Midnapore Canal	23,438	25,180	27,761	23,720	28,470	25,000	24,100
Hidgellee Tidal Canal	4,186	5,517	4,195	2,804	3,692	6,000	6,000
Son Canals	60,395	84,389	89,750	73,648	91,009	89,000	80,900
Ganges Canal	197,254	213,014	199,141	248,974	261,685	250,300	250,000
Lower Ganges Canal	106,614	123,382	133,309	140,604	178,594	183,600	163,000
Agra Canal	48,148	46,622	56,566	61,390	60,100	55,200	53,400
Eastern Jumna Canal	70,305	71,154	63,514	83,255	81,294	79,200	83,600
Betwa Canal	3,057	7,313	7,585	7,455	10,229	8,900	8,900
Western Jumna Canal (including Sirsa Branch)	135,366	90,170	113,116	160,321	151,127	118,900	116,600
Chenab Canal	25	3,768	7,711	9,793	10,294	19,000	50,000
Bari Doab Canal	126,141	139,232	139,663	149,559	169,840	230,900	204,200
Sirhind Canal	69,900	113,233	133,917	168,523	201,595	243,100	118,100
Swat River Canal	10,326	22,753	24,941	25,048	20,369	28,900	23,200
Godavari Delta System	12,431	10,653	11,492	12,236	11,096	11,000	11,000
Kistna Delta System	4,394	4,669	4,502	5,047	4,831	5,000	5,000
Sangam Anicut System	86	142	91	127	74	100	100
Desert Canal	3,697	7,037	5,193	2,803	974	3,700	3,800
Begari Canal	2,549	5,097	4,404	2,836	1,435	2,700	3,100
Eastern Nara Works	1,599	1,681	1,753	2,206	2,044	2,100	2,000
Mutha Canals	18,958	21,640	20,625	21,881	24,756	22,200	23,500
Nira Canal	768	1,029	2,756	3,609	4,449	7,700	8,800
Other projects	29,020	39,776	50,177	44,343	49,680	49,700	50,400
TOTAL	950,961	1,061,802	1,132,584	1,284,683	1,404,737	1,487,200	1,323,700
PORTION OF LAND REVENUE DUE TO IRRIGATION:							
Ganges Canal	44,301	44,301	54,731	66,446	69,008	71,500	71,500
Lower Ganges Canal	20,783	20,959	20,959	20,959	20,959	21,000	21,000
Eastern Jumna Canal	22,154	22,153	22,153	23,292	24,614	25,000	25,000
Western Jumna Canal	5,140	5,275	4,737	2,368	—	—	—
Chenab Canal	- -	- -	- -	- -	112	1,500	1,900
Bari Doab Canal	37,526	40,469	42,467	44,046	24,988	4,200	2,800
Godavari Delta System	183,853	195,920	200,371	204,703	215,151	221,200	224,600
Kistna Delta System	132,273	142,362	150,618	167,461	173,970	176,400	186,400
Sangam Anicut System	8,041	8,541	12,000	12,946	814	19,200	22,500
Desert Canal	8,254	11,030	13,120	12,854	1,458	16,300	16,400
Begari Canal	19,391	25,223	22,498	18,922	22,255	27,400	27,400
Eastern Nara Works	28,020	34,586	42,908	38,890	37,197	42,200	42,800
Mutha Canals	*—468*	*—562*	*—538*	*—595*	*—718*	—	—
Nira Canal	*—31*	*—44*	*—128*	*—171*	*—213*	—	—
Other projects	93,318	120,828	103,870	96,875	83,594	99,700	173,300
TOTAL	602,555	671,041	689,766	708,996	673,189	725,600	815,600
TOTAL REVENUE:							
Orissa Canals	22,304	24,351	30,422	34,501	37,100	45,000	34,000
Midnapore Canal	23,438	25,180	27,761	23,720	28,470	25,000	24,100
Hidgellee Tidal Canal	4,186	5,517	4,195	2,804	3,692	6,000	6,000
Son Canals	60,395	84,389	89,750	73,648	91,009	89,000	80,900
Ganges Canal	241,555	257,315	253,872	315,420	330,693	321,800	321,500
Lower Ganges Canal	127,397	144,341	154,268	161,563	199,553	204,600	184,000
Agra Canal	48,148	46,622	56,566	61,390	60,100	55,200	53,400
Eastern Jumna Canal	92,459	93,307	85,667	106,547	105,908	104,200	108,600
Betwa Canal	3,057	7,313	7,585	7,455	10,229	8,900	8,900
Western Jumna Canal (including Sirsa Branch)	140,506	95,445	117,853	162,689	151,127	118,900	116,600
Chenab Canal	25	3,768	7,711	9,793	10,406	20,500	51,900
Bari Doab Canal	163,667	179,701	182,130	193,605	194,828	235,100	207,000
Sirhind Canal	69,900	113,233	133,917	168,523	201,595	243,100	118,100
Swat River Canal	10,326	22,753	24,941	25,048	20,369	28,900	23,200
Godavari Delta System	196,284	206,573	211,863	216,939	226,247	232,200	235,600
Kistna Delta System	136,667	147,031	155,120	172,508	178,801	181,400	191,400
Sangam Anicut System	8,127	8,683	12,091	13,073	888	19,300	22,600
Desert Canal	11,951	18,067	18,313	15,657	2,432	20,000	20,200
Begari Canal	21,940	30,320	26,902	21,758	23,690	30,100	30,500
Eastern Nara Works	29,619	36,267	44,661	41,096	39,241	44,300	44,800
Mutha Canals	18,490	21,078	20,087	21,286	24,038	22,200	23,500
Nira Canal	737	985	2,628	3,438	4,236	7,700	8,800
Other projects	122,388	160,604	154,047	141,218	133,274	149,400	223,700
TOTAL	1,553,516	1,732,843	1,822,350	1,993,679	2,077,926	2,212,800	2,139,300

APPENDIX III.—*continued.*

TABLE IX.—GROSS RECEIPTS, WORKING EXPENSES and Net Earnings of Irrigation, &c.—*continued.*

	ACTUALS.					Revised Estimate,	Budget Estimate,
	1887-88.	1888-89.	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.
WORKING EXPENSES:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Orissa Canals	48,131	38,717	43,170	43,946	39,609	46,000	43,000
Midnapore Canal	24,007	20,035	20,067	19,925	25,733	22,300	22,900
Hidgellee Tidal Canal	6,490	7,535	2,572	5,197	4,867	3,700	5,500
Son Canals	71,731	75,522	69,747	66,059	65,208	68,000	68,400
Ganges Canal	88,300	91,931	95,789	104,495	104,938	105,600	104,400
Lower Ganges Canal	86,397	96,850	90,792	88,981	84,774	86,000	83,000
Agra Canal	24,478	24,113	25,975	23,225	23,839	24,400	21,800
Eastern Jumna Canal	19,266	25,467	24,718	29,804	28,439	30,800	28,700
Betwa Canal	8,295	10,444	10,721	10,534	9,795	10,100	10,500
Western Jumna Canal (including Sirsa Branch)	55,527	47,536	47,917	56,050	48,207	45,400	48,000
Chenab Canal	5,733	7,835	9,823	8,951	10,724	21,700	30,500
Bari Doab Canal	49,665	56,561	56,970	56,593	72,424	69,000	61,400
Sirhind Canal	34,537	53,647	60,404	58,600	54,948	63,400	64,500
Swat River Canal	8,375	8,745	9,221	10,247	9,579	9,900	8,800
Godavari Delta System	51,680	52,221	46,792	56,050	51,569	54,500	50,200
Kistna Delta System	32,663	32,299	36,552	38,576	42,038	42,000	39,800
Sangam Anicut System	4,369	4,170	4,830	5,213	3,569	4,200	4,300
Desert Canal	4,041	2,718	3,690	3,715	11,152	7,900	5,100
Begari Canal	6,126	6,452	7,583	6,052	6,314	7,100	7,400
Eastern Nara Works	5,474	8,393	8,266	9,375	8,277	9,400	7,400
Mutha Canals	6,034	6,246	7,712	7,085	7,333	6,500	6,700
Nira Canal	1,673	1,716	2,466	2,734	3,882	5,600	4,000
Other projects	34,615	42,523	41,781	47,006	44,227	47,100	49,800
TOTAL	677,607	721,676	727,558	758,413	761,445	790,600	776,100
NET REVENUE:							
Orissa Canals	*—25,627*	*—14,966*	*—12,748*	*—9,445*	*—2,509*	*—1,000*	*—9,000*
Midnapore Canal	*—569*	5,145	7,694	3,795	2,737	2,700	1,200
Hidgellee Tidal Canal	*—2,304*	*—2,018*	1,623	*—2,393*	*—1,175*	2,300	500
Son Canals	*—11,336*	8,867	20,003	7,589	25,801	21,000	12,500
Ganges Canal	153,255	165,384	158,083	210,925	225,755	216,200	217,100
Lower Ganges Canal	41,000	47,491	63,476	72,582	114,779	118,600	101,000
Agra Canal	23,670	22,509	30,591	38,165	36,261	30,800	31,600
Eastern Jumna Canal	73,193	67,840	60,949	76,743	77,469	73,400	79,900
Betwa Canal	*—5,238*	*—3,151*	*—3,136*	*—3,079*	434	*—1,200*	*—1,600*
Western Jumna Canal (including Sirsa Branch)	84,979	47,909	69,936	106,639	102,920	73,500	68,600
Chenab Canal	*—5,708*	*—4,067*	*—2,112*	842	*—318*	*—1,200*	21,400
Bari Doab Canal	114,002	123,140	125,160	137,012	122,404	166,100	145,600
Sirhind Canal	35,363	59,586	73,513	109,923	146,647	179,700	53,600
Swat River Canal	1,951	14,008	15,720	14,801	10,790	19,000	14,400
Godavari Delta System	144,604	154,352	165,071	160,889	174,678	177,700	185,400
Kistna Delta System	104,004	114,732	118,568	133,932	136,763	139,400	151,600
Sangam Anicut System	3,758	4,513	7,261	7,860	*—2,681*	15,100	18,300
Desert Canal	7,910	15,349	14,623	11,942	*—3,720*	12,100	15,100
Begari Canal	15,814	23,868	19,319	15,706	17,376	23,000	23,100
Eastern Nara Works	24,145	27,874	36,395	31,721	30,964	34,900	37,400
Mutha Canals	12,456	14,832	12,375	14,201	16,705	15,700	16,800
Nira Canal	*—936*	*—731*	162	704	354	2,100	4,800
Other projects	87,723	118,081	112,266	94,212	89,047	102,300	173,900
TOTAL	875,909	1,011,167	1,094,792	1,235,266	1,316,481	1,422,200	1,363,200

APPENDIX III.—*continued.*

CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDISED RAILWAYS.

TABLE X.—ABSTRACT of BUDGET ESTIMATES of CAPITAL TRANSACTIONS of GUARANTEED and SUBSIDISED RAILWAYS, 1892-93 and 1893-94.

RAILWAYS.	AMOUNT IN RUPEES.			AMOUNT OF EXCHANGE.			AMOUNT IN POUNDS STERLING.		
	1892-93.		Budget, 1893-94.	1892-93.		Budget, 1893-94.	1892-93.		Budget, 1893-94.
	Budget.	Revised.		Budget.	Revised.		Budget.	Revised.	
GUARANTEED RAILWAYS.									
RECEIPTS.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	£.	£.	£.
Madras	21,50,000	21,75,000	23,50,000	1,79,000	1,81,000	1,96,000	197,100	199,400	215,400
Bombay, Baroda, and Central India	27,00,000	29,25,000	27,50,000	2,25,000	2,44,000	2,29,000	247,500	268,100	252,100
Great Indian Peninsula	72,65,000	68,00,000	71,50,000	6,05,000	5,67,000	5,96,000	666,000	623,300	655,400
TOTAL	1,21,15,000	1,19,00,000	1,22,50,000	10,09,000	9,92,000	10,21,000	1,110,600	1,090,800	1,122,900
ADVANCES.									
Madras	23,00,000	16,50,000	19,00,000	1,92,000	1,37,000	1,58,000	210,800	151,300	174,200
Bombay, Baroda, and Central India	16,00,000	13,50,000	16,00,000	1,33,000	1,13,000	1,33,000	146,700	123,700	146,700
Great Indian Peninsula	45,70,000	34,50,000	41,60,000	3,80,000	2,88,000	3,47,000	419,000	316,200	381,300
TOTAL	84,70,000	64,50,000	76,60,000	7,05,000	5,38,000	6,38,000	776,500	591,200	702,200
NET RECEIPTS.									
Madras	—1,50,000	5,25,000	4,50,000	—13,000	44,000	38,000	—13,700	48,100	41,200
Bombay, Baroda, and Central India	11,00,000	15,75,000	11,50,000	92,000	1,31,000	96,000	100,800	144,400	105,400
Great Indian Peninsula	26,95,000	33,50,000	29,90,000	2,25,000	2,79,000	2,49,000	247,000	307,100	274,100
TOTAL	36,45,000	54,50,000	45,90,000	3,04,000	4,54,000	3,83,000	334,100	499,600	420,700
SUBSIDISED RAILWAYS.									
RECEIPTS.									
Capital received in India:									
Nilgiri Railway	16,00,000	8,50,000	10,00,000	- -	- -	- -	160,000	85,000	100,000
Lucknow-Bareilly	—	—	—	—	—	—	—	—	—
Gain on Remittances to India:									
Southern Mahratta	- -	- -	- -	1,33,000	85,000	3,24,000	—13,300	—8,500	—32,400
Mysore	—	—	—	—	—	—	—	—	—
Assam-Bengal	- -	- -	- -	- -	1,34,000	3,60,000	- -	—13,400	—36,000
Indian Midland	- -	- -	- -	1,50,000	1,10,000	2,33,000	—15,000	—11,000	—23,300
Bengal Central	- -	- -	- -	- -	2,000	3,000	- -	—200	—300
Bengal-Nagpur	- -	- -	- -	3,19,000	2,19,000	1,61,000	—31,900	—21,900	—16,100
Lucknow-Bareilly	- -	- -	- -	15,000	- -	- -	—1,500	—	—
TOTAL	16,00,000	8,50,000	10,00,000	6,17,000	5,50,000	10,81,000	98,300	30,000	—8,100
WITHDRAWALS.									
Southern Mahratta	2,28,000	5,02,000	—4,79,000	38,000	84,000	—80,000	19,000	41,800	—39,900
Mysore	6,55,000	—8,00,000	6,79,000	1,64,000	—2,00,000	1,72,000	49,100	—60,000	50,700
Assam-Bengal	50,00,000	28,00,000	74,50,000	16,67,000	8,71,000	23,18,000	333,300	192,900	513,200
Indian Midland	9,47,000	3,75,000	6,23,000	1,89,000	75,000	1,25,000	75,800	30,000	49,800
Bengal Central	1,00,000	1,01,000	1,24,000	29,000	25,000	35,000	7,100	7,600	8,900
Bengal-Nagpur	24,00,000	24,50,000	13,55,000	5,54,000	5,65,000	3,13,000	184,600	188,500	104,200
Lucknow-Bareilly	1,50,000	2,30,000	1,81,000	30,000	86,000	68,000	12,000	14,400	11,300
Nilgiri	16,00,000	8,50,000	10,00,000	- -	- -	- -	160,000	85,000	100,000
TOTAL	1,10,80,000	65,08,000	1,09,33,000	26,71,000	15,06,000	29,51,000	840,900	500,200	798,200
Net Withdrawals	94,80,000	56,58,000	99,33,000	20,54,000	9,56,000	18,70,000	742,600	470,200	806,300
GUARANTEED AND SUBSIDISED RAILWAYS.									
Net Withdrawals	58,35,000	2,08,000	53,43,000	17,50,000	5,02,000	14,87,000	408,500	—29,400	385,600

ABSTRACT of the Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the Provisions of the Acts of Parliament 24 and 25 Vic., Cap. 67, and 55 and 56 Vic., Cap. 14.

The Council met at Government House on Thursday, the 30th March 1893.

PRESENT:

His Excellency the Viceroy and Governor General of India, G.C.M.G., G.M.S.I., G.M.I.E., presiding.
His Honour the Lieutenant-Governor of Bengal, K.C.S.I.
The Honourable Sir P. P. Hutchins, K.C.S.I.
The Honourable Sir D. M. Barbour, K.C.S.I.
The Honourable Sir A. E. Miller, Kt., Q.C.
The Honourable Lieutenant-General H. Brackenbury, C.B., R.A.
The Honourable Sir C. B. Pritchard, K.C.I.E., C.S.I.
The Honourable J. L. Mackay, C.I.E.
The Honourable Dr. Rashbehary Ghose.
The Honourable Palli Chentsal Rao Pantulu, C.I.E.
The Honourable Sir G. H. P. Evans, K.C.I.E.
The Honourable Fazulbhai Vishram.
The Honourable C. C. Stevens.
The Honourable J. Buckingham, C.I.E.
The Honourable A. S. Lethbridge, M.D., C.S.I.
The Honourable J. Woodburn, C.S.I.

Discussion of the Financial Statement.

The Honourable Dr. *Lethbridge* said :—"My Lord, my honourable friend Sir David Barbour in his speech on the Budget last Thursday referred to the increase in expenditure caused by the fall in the rate of exchange, and said—

> "'The heavy fall in the rate of exchange has most seriously affected the position of Government servants not domiciled in India; their case cannot be put on one side much longer; and, as matters now stand, no remedy is possible which does not involve further increase of expenditure.'

"With your Excellency's kind permisison, the representatives of the services in Calcutta had an opportunity given them of laying before Your Lordship the extreme hardship that the fall in the gold value of the rupee was causing. Your Excellency's sympathetic reply, and the knowledge that the Government of India was not indifferent to the sufferings of its European servants, and was fully aware of the dangers likely to arise from this state of affairs, has had a reassuring effect on the services.

"Within the last few days His Excellency the Governor of Madras has received a similar deputation in that Presidency, and has echoed the kindly sentiments to which Your Lordship has given expression in Calcutta.

"I would not have troubled the Council with any remarks on this important subject, if I did not feel that, from the position which I have for some years occupied in Bengal, and from my present position under the Government of India, I have had exceptional opportunities for observing the extent of the distress that now prevails among the European servants of Your Excellency's Government in the more remote districts of the mufassal. It is on behalf of the officers working on small salaries in the mufassal stations, often completely isolated from their countrymen and cut off from all chance of receiving sympathetic advice and assistance, that I ask the Council's indulgence for taking up its time in again referring to this subject. As an officer ordinarily residing at the head-quarters of the Government, I have, as might be expected, been the recipient of much information on this subject. It is natural that these

mufassal officers should take advantage of such an opportunity for discussing their hopes and fears and the misery of their position under the present circumstances. It has often been said, and with perfect justice, that the European officers working in immediate contact with the people are the backbone of the service. On their high moral tone and the faithful discharge of their duties, often under most trying circumstances, depends the well-being of this great Empire. I have no hesitation in saying that the strain which is felt throughout the services at the present time is felt with the greatest intensity by these European servants of Your Excellency's Government. I look upon a disheartened service as a positive danger to the country, and I conceive it to be the duty of every man, even at the risk of being accused of acting from interested motives, to lose no opportunity in enlightening public opinion where such grave issues are concerned.

"I have been told on good authority that it would take more than a crore of rupees annually to compensate the services to any appreciable extent for the losses they are now incurring by the depreciation of the rupee. If this is the case, it only shows the magnitude of the burden which the European servants of Your Excellency's Government have borne, and are still called upon to bear. My Lord, if the expenditure of a crore of rupees is necessary to maintain the services in a high state of efficiency and integrity, it is my honest opinion that the country should, quite apart from considerations of justice and sentiment, and as a purely business matter, unhesitatingly pay this price, and take steps to obtain the necessary funds."

The Honourable Mr. *Stevens* said:—"As my honourable friend Dr. Lethbridge has said, on the 31st January last an important deputation, representing a very large number of European officers employed in India in different departments of the Government service, was permitted to explain to Your Excellency the distressing and disheartening effect of the downward progress of exchange on their financial condition. Your Excellency listened with the most careful attention to the sad story which, in various forms, was told by members of the deputation; and the gracious reply which was accorded proved to the infinite satisfaction of all, that the hard conditions under which the services had been labouring had long been appreciated, and that Your Excellency had been no less anxious than they that some alleviation of their undeserved misfortunes should be found.

"Your Excellency informed the deputation that in June last year the Government had directed the attention of the Secretary of State to the distress caused to European officers by the fall in the sterling value of the rupee, and had pointed out that, if the present conditions continued, it would, in the opinion of the Government of India, be inevitably necessary to take steps for the purpose of mitigating the sufferings of its officers. The deputation was further told that in September last the Secretary of State was again addressed, and a strong opinion expressed that, unless a substantial rise in the gold value of the rupee should occur, it would be necessary to propose some measure of relief.

"At the same time it was said that it was not possible then to take this course. It was conceived that the enquiries proceeding in Europe might have results which would render relief unnecessary. A temporary measure would be inconvenient, because it would raise most difficult issues, and require the most delicate adjustment—because it would be costly, and would disturb the whole of the financial arrangements of the year, and perhaps involve the imposition of additional taxation. All hopes of a solution of the currency problem by international agreement have been now dissipated; and the financial arrangements of the coming year are under consideration.

"My Lord, the servants of the Government in India place the firmest reliance on the comforting words which were given them in answer to their complaints; they are certain that whatever remedy may be regarded by Your Excellency's Government as possible and reasonable will be applied to their case.

"In the Budget Statement which was communicated to the Council last Thursday by my honourable friend Sir David Barbour, the subject was not forgotten; it was again admitted that the heavy fall in the rate of exchange has most seriously affected the position of Government servants not domiciled in India, and that their case cannot be put on one side much longer. In the Estimates themselves, however, it does not appear that any provision has been made

made for meeting expenditure on this ground. I am given to understand that this fact has caused serious disappointment and apprehension.

"It is impossible for any one, even while regarding his own personal interests, to overlook the gravity of the difficulties which now press upon the Finance Member, and I believe that those who have borne their troubles (to use Your Excellency's gracious words) 'with dignity and patience' in the past, would not now, though those troubles are becoming more and more grievious, desire to embarrass Government by asking for a definite assurance. I shall ask for none; but I venture to hope that the absence of any provision in the Budget does not necessarily imply that the consideration of remedies for the distress which has been so amply acknowledged is abandoned even for the immediate future."

The Honourable Mr. *Fazulbhai Vishram* said:—"In the first place, I venture to suggest that all figures representing the Budget Estimates may be given in units instead of tens of rupees, as a good many people in going over the Financial Statement are apt to mistake the latter for the former, and hence a sum of, say, ten lakhs is taken for one lakh. If it be inconvenient to adopt the suggestion, the objection might, perhaps, be met by stating at the commencement of the Financial Statement that the Budget Estimates are given in tens of rupees, but the former course will doubtless prove to be the most intelligible one.

"The next remark I have to make is with regard to the cash balance of over 15 crores of rupees with which Government expect to open the coming year. Now, is it not possible to arrange for the investment of a considerable portion of this great sum at some rate of interest? I presume, as it stands at present, it is deposited with the various Presidency Banks in current accounts carrying no interest whatever. Supposing it remains at an average of 10 crores throughout the year, and it could be arranged to earn at least 2 per cent. interest on it, it can be made to yield 20 lakhs. Bankers and merchants can, of course, make more than double out of it. Even Government can obtain a result of 40 lakhs by investing that portion of the cash balance in their own paper carrying interest at 4 per cent. per annum. It would be proportionately less if the balance be smaller. I see from the Statement that Government have been able in the current year to meet the increase in the pay of the British troops partially by having invested in Government securities a larger amount of the paper currency reserve. Perhaps the same might be done with regard to, at any rate, a portion of the cash balance.

"The Honourable Sir David Barbour puts down the increase in the cost of army services in India (excluding pay of British troops) at 44,68,000 rupees. If this also be wholly or partly due to the fall in exchange, is it not practicable or possible to fix some rate of exchange for these services, as is the case with some services paid for in England? Otherwise, as the matter stands at present, the rupee pay of the civil services goes on decreasing in its gold value, and the sterling pay of the army goes on increasing in its silver value as the exchange falls!

"Then, with regard to the probable loan of 300 lakhs to be raised in India, the public, I think, would like to be informed of its duration, and the rate of interest it will carry. Government will doubtless consider the advisability of issuing it, if at all, at a most favourable time of the year, and at the rate of 3½ per cent. interest. This should also apply to the loan of 1,300,000*l.* to be raised by the Secretary of State, and, if both of these loans, aggregating as they do over 5 crores of rupees, are raised—as no doubt they can be with the high credit of Government—at 3½ per cent. instead of 4½, the difference per year would be 2½ lakhs.

"These are all the observations I have to offer on the Financial Statement, which is a most able as well as interesting document in every way."

The Honourable Sir *Griffith Evans* said:—"The Budget which has just been presented to us is, at first sight, an exceedingly gloomy one; but, when one comes to look closer into it, notwithstanding the very grave apprehension there is as to the future of exchange, there are, as has been remarked by my honourable friend, Sir David Barbour, some very hopeful features in it, notably the growth of the general revenues. As regards the question of exchange, there are gentlemen in this room better able to deal with the question than I am, and

I will say no more about it, except that it is to be hoped that some remedy will be found to introduce stability into our finances, and to prevent their being the sport of parties in America, as at present. It is a very lamentable thing to be in this position that, owing to the uncertainty of exchange, it is impossible for the Government of India to take any steps to meet the deficit which sppears in this Budget. That it is so there is no doubt; and the arguments of the Finance Member are perfectly unanswerable as regards the position which he has taken up.

"When one comes to look at these figures, there is one comforting matter about them, and that is this: The present deficit is produced, to the full extent, by inserting in the accounts what is called the Famine Insurance. The exact nature of the Famine Insurance was discussed very fully when the Budget was discussed in 1890, and I will, therefore, say nothing more about it than that it was fully explained at that time, and the conclusion arrived at by the Financial Member himself was that in point of fact this item of account was merely a special surplus; that the Government had found that, owing to the liability of this country to famine, which liability was estimated at a cost of about Rx. 15,000,000 in ten years, it was desirable to budget for a special surplus every year of one million and a-half, which was called the Famine Grant or Famine Insurance; when they had got this, if they were not obliged to expend it on Famine Relief or some other great emergency, they would spend it upon productive railways, irrigation projects, and other works of that kind, so as to accomplish these objects out of revenue, and so diminish the liability to famine. But, if one has not got a special surplus, of course it is not necessary to spend it, and in this particular instance it is to be observed that the total deficit estimated for in the year now closing is a little over a million. It is Rx. 1,080,000 if I remember rightly. This is worked out by introducing into the Budget Rx. 1,100,000 and odd for Famine Relief, and by expending upon railways out of Revenue Rx. 292,000. In the estimate for 1892–93 the same thing is to be observed. When we come to examine details, we find that that sum is to be expended, or has been expended, in the year now closing, on productive railways and other works. For the year 1893-94 there is a similar sum of over Rx. 1,100,000 put down for this Famine Insurance, and the estimate is that this is to be expended on productive railways and irrigation works, that is, of course, if it is there. That is the way in which the deficit is arrived at. There is also Rx. 75,000 instead of the larger sum of Rx. 292,000, which is to be expended out of Revenue on railways in the coming year of 1893–94. Adding that Rx. 75,000 to the Famine Insurance, it comes roughly to Rx. 1,200,000. Deduct that Rx. 1,200,000 from the deficit, which is roughly for the coming year estimated at Rx. 1,600,000; take that Rx. 1,200,000 from the total deficit, and the real deficit is Rx. 400,000, apart from the special surplus budgeted for.

"This seems to make the Budget very much more rosy than it appears at first sight; but, when you come to look into the Statement, you see that there is very good reason for budgeting for this sum, even if you are not able to spend it in productive works, because the exchange is going down. The exchange has gone down already. I am not sure how much the present drop is, but I think one may say roughly that the present fall in exchange already indicates a further liability of fifty lakhs. Therefore, although taking it at 1*s.* 2$\frac{1}{16}$*d.*, which is the rate taken in this Budget, the actual deficit, apart from the Famine Insurance and the expenditure in productive railways, would only be Rx. 400,000; yet, as a matter of fact, the probable fall in exchange is likely to bring it up at least to a million unless something is done. There is also the liability, as Sir David Barbour has said, that something will have to be done in order to meet the undoubtedly great distress amongst the services owing to the fall in the rupee. If that demand should fall upon us, it is not improbable that the actual deficit which will have to be met will be as large as has been indicated, and possibly much larger.

"The relief, therefore, that at first sight seemed to me to dawn upon one, at the discovery that a great portion of the deficit was caused by this head of account, this special surplus which did not exist, that feeling of relief is dissipated when one looks at these other threatening symptoms which forebode a deficit as great or greater than has been shown.

"So much for general remarks on the nature of the deficit. The next matter which I wish to touch upon is the military expenditure. No one can feel more

more thoroughly than I do that the maintenance of the army in an efficient state is absolutely vital, that without it no attempts at development will be of the smallest use. All development and all civilisation shatters at once unless there is protection, and protection can only be secured by an adequate defence and an adequate army. But, though this is so, one cannot help feeling that the figures of the present Budget with regard to the growth of military expenditure since 1884-85 indicates a growth which, if possible, ought to be put a stop to, especially now as we seem to approach so dark a time in the history of our finances. The figures in the Budget show that there has been an increase of something like Rx. 4,000,000 since 1884-85; that, eliminating matters connected with exchange, and things of that sort, expenditure since that period has been increasing at the rate of about 46 lakhs a year. The growth since 1890-91 is shown to be about Rx. 1,000,000, and the result is that, whereas in the estimates for the Budget for 1892-93, Rx. 21,000,000 odd was estimated for, yet, when it came to the revised estimate now before us, it comes up to Rx. 23,500,000, and in the Budget for the coming year 1893-94 the Budget amount is 23 millions and a little over. This is, no doubt, a little less than the revised estimate for the last year. This is, as I understand, because there were a considerable number of expeditions in the course of last year not budgeted for, and it is hoped that there will not be any next year, but whether this hope will be fulfilled must remain a matter of uncertainty. Not only is there this very heavy increase in military expenditure, but one finds that this is not the whole of the military expenditure, because one may observe that Rx. 1,100,000 is found under the head of Military Works. Also, as far as I can gather, the military railways came to about 70 lakhs for the present year, that is, somewhat less than what they have been in years past. The whole of these sums would amount to Rx. 25,000,000 or 25 crores.

"I should have observed besides that there were the special defences. As regards these, it was estimated some years ago that a sum of 5,000,000*l.*, ought to be spent. I am happy to say that after the half million spent this year it appears that there will be only Rx. 490,000 to be spent in future; so we are near the end of that, and I have nothing further to say upon this question. We must assume that the money has been well spent, and that there was a necessity for these defences; we may hope that the necessity will now cease, and that there will be no further requirement for expenditure, under that special head. As regards the main question of military expenditure, it is generally felt that there has been a great improvement in the army within the last few years, that there has been a great deal of money well and wisely spent, and that there has been a great deal to show for it during the time Lord Roberts has been Commander-in Chief. Notwithstanding that that is so, one cannot help a feeling of alarm that the expenditure is still rising and rising. One knows that with enthusiastic soldiers their desire to get a perfect army will, unless it is kept in check by considerations of ways and means, continually tend to require more and more money, and therefore it is necessary, when times are bad and the revenue is getting short, to desist sometimes from expenditure which, if we were able to afford it, would, perhaps, be beneficial. So, too, with regard to expeditions, we all know that, situated as we are, with a great many parts of our frontier surrounded by wild and savage tribes, expeditions must from time to time be forced upon us. But, on the other hand, it is equally to be remembered that these tribes are most of them wanting in cohesion, split up as they are by tribal jealousies, and a great deal may be done, as has been done in times past, by having strong district officers who are accustomed to deal with these wild and semi-savage tribes, who have gained a personal ascendancy over them; and that with such officers, together with the military outposts that are scattered along the frontiers, it has often been found possible to keep the peace fairly, to restrain these tribes, and to prevent such a state of things arising as to necessitate an expedition. We cannot expect that on the frontier we can have the same absolute security from violence and robbery as in other more civilised parts of the Empire. These district officers are in the position of 'Lords of the Marches,' and, when our finances are, as they are now, at a very low ebb, great efforts ought to be made to instruct the Lords of the Marches, so to speak, that they are, so far as they can, to keep the peace, to keep things quiet on their frontier, and not to requisition extra troops if it can possibly be avoided. There is no doubt that, with an army well equipped and

ready for action, there will be constantly a desire on the part of strong officers to get up expeditions, and to give the frontier tribes a lesson which will last. This is all very well, suppose one is able to afford such a luxury. But it is not always that the conduct of the tribes is such as to render it a necessity. I am not in a position to criticise the various expeditions which have been made. I am only giving expression to a feeling which exists among people whose opinion is more valuable than mine, that it is possible to do something to prevent these expeditions. Although we may at any time be driven to them, it is desirable that a strong curb should be put upon the tendency to come down upon these tribes, that that tendency should be restrained, at any rate, while our finances are in their present condition. That this is a difficult task with our extensive and distant frontier, is quite recognised.

"The general gist of my remarks is simply that great efforts should be made to curtail any expenditure on military account which is not absolutely necessary, and to prevent any expeditions which are not absolutely necessary. The reason why I make these remarks particularly, is that I see how very much the Budget Estimates of last year were altered by expeditions, and one cannot help feeling that the same thing may happen again. I observe also that the tendency we have lately exhibited to enlarge our borders and push our advance posts further up is already beginning to be a source of expense in the Budget, for I see that there is a sum of Rs. 78,000 for transport for the Gilgit Force, and it may be the case that we may find Chilas and other places figuring in the next Revised Estimate. All I wish to say is, that at such a time as the present every effort should be made to prevent money from disappearing in these expeditions. Many of them, as a matter of fact, yield no permanent result at all, although it may at first sight appear that they really do. When you coerce or subdue one tribe it generally happens that you have got into the neighbourhood of another tribe, worse than the first, and that there is yet another tribe at the back of that; therefore it is rather like throwing the money away, except in those cases in which action has been forced upon us. I should not have made these remarks, had it not been that, in view of the exceeding difficulty of the time which is before us, all efforts at economy should be made, and that this item of military expenditure, though necessarily very large, is one in which apparently it is most possible that a large saving can be effected in future. At any rate, its tendency to expand can be kept in check.

"The next point upon which I wish to touch is the Home charges. There has been no doubt a good deal of talk about the Home charges as if they were things that could be avoided; that is, of course, an entire fallacy. There is a certain amount of money which must be expended in England. So long as we purchase our stores there, there must be a large amount of expenditure on these stores; and, unless it can be shown that advantage would be derived by getting them in India, the purchase must be made there. The stores must be had, and, whether the money is spent here or there, they have to be got and paid for. Besides there are pensions. When we come to look at the large sum of the Secretary of State's drawings—18,700,000*l.* for the present year—one finds that there is no real abnormal difference in the Home expenditure, but that the difference is made up of casual charges, that is to say, having to repay money and purchase stores for railways, and various other things which really do not in any way indicate an increase of expenditure. There is no real difference, practically speaking, in the expenditure in England, which comes to something like 15 or 16 millions, and the rest of the 18,700,000*l.* is only inconvenient inasmuch as that so large a drawing will tend to depress the exchange, but it does not indicate any increase of expenditure on the part of the Government.

"Out of the 15 or 16 millions spent at Home, one notes certain charges which are tolerably fixed. There is about 5,600,000*l.* for Railways, 2,600,000*l.* for interest on debt, 4,500,000*l.* for the Army, 1,700,000*l.* for pensions, making altogether about 14,000,000*l.* The rest is made up of smaller sums which are more or or less irreducible. I, therefore, do not see any likelihood of securing any large reduction of the Home charges, but there may be many points in which we may save to a certain extent, and one or two of those I will now indicate. First of all, I would observe that there is a tendency on the part of the various departments in England to shove everything they can on India. The safeguard is supposed to be the Secretary of State. As stated recently in a debate

a debate in another place, the Secretary of State is supposed to be the guardian of the finances of India; but, so far as I have been able to see from the way things go, and if report speaks true, the Government of India have constantly to fight the Secretary of State over the finances of the country. Whether that is the case still, I am not able to say; it may or may not be the case; but certainly it was so in former days, and it is said to be still going on. Unfortunately, however, the Government of India have no power to get their remonstrances attended to, and, although they may have in some cases succeeded, as far as I can gather, most of their remonstrances were pigeon-holed. Besides they are not made public unless they should chance to be called for by Parliament. It is much to be regretted that there is not some way by which, when charges are sought to be placed on India, the Indian public can be informed of them before they become irrevocable. As it is now, we do not get the accounts of the Secretary of State until they are presented to Parliament in May, and the last one, as far as I know, that is accessible is the statement of accounts which was printed by order of the House of Commons on the 13th May, 1892. This contains the accounts of 1891-92, and the estimates for 1892-93; but, if there were some means by which the Financial Member could inform the Council in the Budgets in future of any charge which had been ordered or proposed by the India Office to be placed on the finances of India, it might be that, although this Council has not the power to do anything except grumble—I mean the legislative portion of it—it might, I say, be that their representations would strengthen the hands of the Government of India in that fight which it has often, so far as I understand, in former times had to carry on in defence of the finances of this country.

"There are two things which have struck me in this account of May, 1892. I find that there is a sum of 7,000*l.* put down for the Persian Consulate, a Mission to the Court of Persia. At first it was 10,000*l.*, and was afterwards reduced to 7,000*l.* I understand that we do contribute to or keep up an Agency at Meshed; but, if we are called upon to contribute towards the main Mission at Teheran, it is difficult to say where one is to stop, and why one should not do the same with regard to Turkey or any other Asiatic Power. The next item is with regard to Her Majesty's establishments in China, for which a sum of 15,000*l.* is set down; this was ultimately reduced to 12,000*l.* The note of the Auditor is that an agreement has been come to for ten years. At first I thought that Her Majesty's establishment at China really might mean nothing more than that we were contributing on account of this Chinese Mission, which is going on now, and which is concerned with the Indo-Thibetan frontier dispute, and which, of course, is a very legitimate object; but, when I find that it is agreed upon for ten years from the 1st of April 1890, one sees that it cannot be that, and what it can be or why we should pay for it I fail to understand. The 12,000*l.* for Her Majesty's establishment at China does not seem to be a charge which ought to be borne by the revenues of India. However, I merely suggest this, that the people who pay the money, if they were entitled yearly to have such expenditure placed before them, and to make their remarks and criticisms upon the expenditure, ought to have these matters laid before them in time to offer their criticisms and remarks before the expenditure becomes irrevocable. Of course, the object of discussion here is that whatever we say may not only be a relief to our own feelings, but may attract some attention from the people who have to decide these matters.

"The next thing I have to observe is that the India Office expenses, when one comes to look at them, appear to be on a somewhat lavish scale. The total expenditure upon salaries, wages, and allowances, amount to 151,000*l.* One sees that if you take the whole of the expenses they come to over 191,000*l.* The total increase in the last year is put down at 3,147*l.* When you come to look at that you find that there has been an increase of 5,000*l.*, and a decrease of 2,800*l.*; but, when you come to see where the decrease and increase are made, you find that the increase is in the permanent charges, and that the decrease was in the occasional charges. The decrease has been in the postage of despatches to and from India. In the accounts of 1891-92 there is 4,000*l.* under this head. In the estimate for 1892-93 there is only 1,200*l.* Whether the Secretary of State will be able to reduce either the bulk or the cost of his despatches to this extent, we must wait and see. If you take that out, there

has been an increase to the permanent charges of over 5,000*l.* There is a tendency generally, on the part of this establishment, to increase; but, when one comes to look into the establishment itself, one is struck by a number of small things indicating very clearly that there is no strong hand there to curb or keep down expenditure. I will instance a few to the Council. I will not say anything about the salaries of the Secretary of State and the Members of the India Council. They only come to 25,000*l.* a year, and are not excessive; but, after paying this, we come to the Correspondence Department, which costs 32,000*l.*, and we find six Secretaries on 1,200*l.*, and six assistant Secretaries on from 800*l.* to 1,000 a year. Then I find this item: Special Assistant and Visitor to the Indian Museum at 800*l.* a year. I am at a loss to understand the nature of this gentleman's duties, but I find that he requires, or did require, for the performance of them a clerk at 400*l.* a year. But that is not enough. The Visitor is apparently short of technical knowledge, and so he has a special technical assistant at 350*l.* a year. Then we come to the general clerks in the Correspondence Department, and we find 11 senior clerks; then we find six redundant senior clerks. Now, I have no idea what a redundant clerk may mean, but the term certainly suggests something in the nature of a luxury. Then I find a number of junior clerks and a large number of other assistant clerks, so that there are altogether 49 persons engaged in this Correspondence Department of the India Office. Then you find that they apparently all receive personal allowances of one kind or another, in addition to what seem good salaries. Some of the allowances are very extraordinary. You find that some of these clerks receive allowances for editing the India List. One receives 70*l.* a year; another 50*l.* for the same thing; another a similar allowance, and who edits the India List I really cannot make out. Then I find that another official is a second class clerk of the third grade, and he is not only one of the persons who receives an allowance for editing the India List, but he also receives 50*l.* for the preparation of a Sanitary Blue Book. Then in the Registration and Record Department there is another clerk, one also of the second grade, attached to the Record Department, who also receives 50*l.* for editing the same India List. This peculiarity of always receiving extra remuneration for doing anything becomes more marked, I observe, as we go down the List. Then I come to another class of persons, the office-keepers and messengers, and it appears that 6,230*l.* are spent upon this class of officials. We find that these messengers are of the first and second class, and receive the following allowances, which are instructive, besides their salaries of 100*l.* a year; three receive 30*l.* each for attendance on the Secretary of State. I apprehend that there would be considerable astonishment if any of the chuprassis here were to demand extra pay for attending, for instance, upon the Viceroy or upon any of the Members of Council. One would think that that was all in the day's work. Then there are a number of other similar allowances, amongst which I find that one receives 30*l.* for despatching and posting letters, as if this could not be done without extra pay. Another receives an allowance for superintending the delivery of coals.

"But I will not weary the Council by going into any more details; but I do say that the perusal of this report seems to indicate to a certain extent that, if there were something in the nature of a Finance Commission with a view to retrenchment in these matters, the results, if not very large, would at any rate be considerable. One has a general impression, on perusing these papers, that the employés in question are very lightly worked, and that they seem to be always wanting extra pay for anything additional that they do. I observe also that the Store Department costs 40,000*l.* a year, and whether the Store Department is worth that expenditure I am not able to form an opinion. All that I can ask for is that the money applied to these various purposes should be judiciously spent, and should not be wasted.

"There is only one thing more I desire to say. In 1890, when the Budget was last discussed, I made some observations with regard to the taxation of justice, and I then suggested that there ought to be some alteration in the taxation of justice, because Bengal, upon the figures then available, paid 14 lakhs more than was required to cover the whole of the cost of justice in Bengal, and that those 14 lakhs went into the general revenues. I therefore suggested that the taxation should be reduced, or that the money should be

spent

spent upon the improvement of the administration of justice. I do not propose to repeat that suggestion now in the face of a deficit; but, in going into the question on that occasion, I pointed out the very grave complaints made with regard to the insufficient number of Munsiffs and the want of accommodation as regards cutcherries, and so on, and suggested that, although that was the part of the Provincial Government to provide, yet that the Provincial Government could not provide it without money, and that the Imperial Exchequer ought to allow them funds for these things out of the excess taxation of justice. At that time the answer of the Honourable Sir Philip Hutchins was that, as a matter of fact, considerable changes were being made and reports were coming in, that the matter was being consulted upon between the Home Department and the High Court, and that there would be a considerable amount of alteration for the better. I have reason to believe that there has been considerable alteration for the better, but at that time the matter was still in progress, and the settlement of the complaints put forward by the High Court had not been finally dealt with. I believe that they have been finally dealt with since, but I am not in a position to know the result. If the honourable Member or the Lieutenant-Governor could inform me of what was the end of them, I should be glad, although I do not know that I have any actual right to ask the question.

"These, My Lord, are the observations I have to make. and I wish to add that I am entirely sensible that as regards the Indian administration of the finances of India there has been throughout an earnest endeavour to administer them for the real benefit of India. My criticism is made in no hostile spirit, and with no suggestion that there has been any other than an undivided endeavour to administer the revenue for the best interests of the country; it has been made with regard to various matters in which there seemed to be a possibility either of retrenchment or improvement."

The Honourable Mr. *Chentsal Rao* said:—"I have only a very few remarks to make in connection with the Budget.

"Although in the present unsettled condition of our finances it is not proper that I should say anything which may have the appearance of suggesting a diminution, however slight, of the resources of the Government of India, still there are one or two points which on principle seem to require early consideration, and I venture to notice them now, as I may not have another opportunity of doing so, and as I hope that the Government of India may be able to give consideration to my suggestions as soon as the question of exchange is settled, which I hope it will be ere long.

"I observe that, during the last five years ending 1891-92, for which accounts are available, the Registration Department has yielded an annual average surplus of 1½ millions of rupees, which is divided equally between Imperial and Provincial. As the object of the Registration Department is not revenue, it seems to me that the appropriation of the receipts of the Department for general purposes is questionable. I do not, however, think that the registration fees need be reduced as they are sufficiently light, but more registration offices may with advantage be created, so that people may not have long distances to travel to get their documents registered. The present charges of registration officers are extensive, at any rate they are so in Madras, and the creation of more offices will be highly appreciated. The Registration Department is, indeed, a great check upon forgeries, and it is so popular and so much appreciated that in my humble opinion the registration of all documents relating to real property may be made compulsory; such a measure will have the additional advantage of checking the large mass of litigation arising out of questions of priority between registered and unregistered documents affecting the same real property.

——	Receipts.	Expenditure.	Surplus.
	Rs.	Rs.	Rs.
1887-88 - - -	31,12,530	18,72,000	12,40,530
1888-89 - - -	33,17,120	19,36,810	13,80,310
1889-90 - - -	35,37,920	19,32,370	16,05,550
1890-91 - - -	36,54,490	19,67,310	16,87,180
1891-92 - - -	39,98,020	20,75,630	19,19,390
AVERAGE - - - Rs.			15,66,592

 "A sum

"A sum of 15 millions of rupees is now annually set apart for famine relief. I do not know how this sum came to be determined upon, but I observe that, ever since the Famine Fund has been started, the cost has in no year exceeded 31 lakhs, and the average cost, including the interest charged of 34 lakhs on the Indian Midland and the Bengal-Nagpur Railway debited to the Famine Insurance Fund, is only Rs. 39,00,000 a year. I think the country has now, by the construction of protective works—railways and irrigation—been sufficiently insured against the recurrence of famine in anything like the degree of intensity of the famines on which the average annual cost was assessed at a crore and a-half, and that the allotment may now therefore well be revised. It seems to me that, making every allowance for increased charges in future, a provision of 75 lakhs of rupees for Famine Insurance is enough, and the remaining 75 lakhs may be appropriated for general purposes with a corresponding remission of questionable taxes. The export duty on rice is virtually a tax on the agriculturists, who already pay a heavy assessment on the lands which yield the produce. It is a questionable tax, and may well be abolished. The average net revenue from the duty in the last five years has been just 76 lakhs, only one lakh more than the sum which can be spared from the Famine Insurance Fund. I say it is a tax on the producers, because India is not the only country which exports rice, and it is also very unequal in its incidence, as the duty is collected on quantity instead of on value, though the prices of different qualities of rice vary very largely. It may be said that there will not be enough of money for protective works if the Famine grant is reduced to 75 lakhs, but I think that these must be undertaken from borrowed capital, as they benefit not only the present but also the future generation. Interest on the capital so spent seems to me to be the only legitimate charge upon the Famine Insurance Fund.

	Rs.
1878-79	31,35,470
1879-80	10,40,590
1880-81	3,48,400
1881-82	3,48,830
1882-83	2,21,030
1883-84	92,050
1884-85	73,500
1885-86	4,06,950
1886-87	10,410
1887-88	4,020
1888-89	77,990
1889-90	6,82,880
1890-91	55,790
1891-92	2,34,230
1892-93	7,68,000
Total	75,00,140
Average	5,00,009
Add interest charge on Midland and Bengal-Nagpur Railway as per Budget of 1893-94	34,02,676
TOTAL	Rs. 39,02,685

"I observe that the charges under Stamps, Assessed Taxes, and Excise, though not very heavy in the aggregate, vary largely in the several provinces, as shown below, the figures being those taken from the Budget for 1892–93. The Police charges, which are almost entirely Provincial, and on which, perhaps, I may not be at liberty to say anything here, also vary very largely. For instance, Bombay with a population of 21½ millions costs 57 lakhs, while Bengal, with 71 millions or nearly 3½ times of the Bombay population, costs only 58 lakhs. I do not allude to these variations because I know for certain that any avoidable expenditure is incurred anywhere. The variations are probably due to local peculiarities, but I thought an explanation of the causes would remove misconceptions on the subject.

PERCENTAGE of Charges to Receipts.

	Excise.	Stamps.	Assessed Taxes.
Central Povinces	1·6	2·6	·2
Burma	1·4	2·9	3·5
Assam	·3	4·4	·9
Bengal	6·2	3·8	4·4
North-Western Provinces	2·8	2·1	·8
Punjab	2·9	4·6	1
Madras	5·4	3·8	·9
Bombay	3·6	4·2	1·4

"I observe

"I observe that under superannuation allowances the charge in 1892-93 and 1893-94, exclusive of the cost on account of exchange, is about 24 or 21 lakhs above the average cost of the previous four years. Although this is an item under which any retrenchment is impossible, still, as it is an item which should vary within narrow limits, I shall be glad to know the cause for the increase. There is also a similar increase under Furlough Allowances, but it is not large.

—	Total Cost.	Deduct Exchange.	Remainder.
	Rs.	*Rs.*	*Rs.*
1888-89 - - -	3,11,48,230	75,01,290	2,36,46,940
1889-90 - - -	3,14,03,610	72,93,860	2,41,09,750
1890-91 - - -	3,05,15,410	54,81,030	2,50,34,380
1891-92 - - -	3,32,41,090	74,95,570	2,57,45,520
		Average - - -	2,46,31,647
1892-93 - - -	3,80,15,000	1,09,81,000	2,70,34,000
1893-94 - - -	3,78,93,000	1,11,80,000	2,67,13,000

"I am unable to find out what sum has been provided in the Budget for advances under the Land Improvement Loans Act, but, considering the large reduction in the cash balances at the end of 1893-94, I feel unable to suggest any increased provision under the general head 'Advances,' in 1893-94; but I must say that the advances made under the Land Improvement Loans Act in the several provinces during the last five years appear to me to be too small when the needs of the country and the amount of surplus revenue obtained during the last 12 years are considered, and I hope that the Government of India may be able to see their way to increase the provision. In India there is nothing so well calculated to mitigate the effects of ordinary droughts as the excavation of wells and the use of subsoil water. The present obstacles to the utilisation of the Act are—

(1) the ignorance of the raiyats even of the existence of the Act;

(2) the dilatory procedure adopted in granting the loans;

(3) the rigidity with which repayment is enforced.

"The last is the chief obstacle. The Government of Madras have made excellent rules for the repayment of loans by very small annual instalments, and they are working well; but I submit for the consideration of the Government of India whether, in cases where the raiyats prefer it, the time for the repayment of the loan cannot altogether be left to their option, the payment of interest alone along with the assessment being made compulsory, at least in the case of money advanced for wells. Formerly, lands under wells paid as much as seven and ten rupees per acre, even where the wells were excavated at the expense of the raiyats. But now, owing to the liberal policy of Government, they pay only the assessment which the land bore before the well was excavated, *i.e.*, one or two rupees an acre; and, if money be advanced to them at 4 per cent. to enable them to excavate wells, they would be glad to pay an addition of three or four rupees an acre more. Ordinarily in Madras a well excavated at a cost of, say, Rs. 300 can irrigate three or four acres, and its interest comes only to three or four rupees an acre. This can with perfect ease be always realised, and, when this could be done, I do not see why the time of repayment should not be left to the option of the raiyat. As regards the ignorance of the raiyats and the delay in obtaining loans, the appointment of a special officer in each province for a year or two to travel and make advances on the spot will remove the obstacle, and this measure is being tried in Mysore with much success."

The Honourable Dr. *Rashbehary Ghose* said:—"Every one must sympathise with the European servants of the Crown in India in their present difficulties, which it is to be hoped are only of a temporary nature. But, while fully acknowledging the magnitude of the burden which the European servants of the Government of India are called upon to bear, we cannot altogether shut our eyes to the state of our Exchequer, or to the magnitude of the burden which would be imposed on the taxpayer by the suggested addition of a crore of rupees to the estimates. It must also be borne in mind that the Government is in the position of a trustee of the public money, and that it cannot in the present critical condition of the finances be fairly called upon to be generous to any class of its servants at the expense of the taxpayer, the *cestui que trust*, so to speak, whose interests have to be carefully watched and protected."

The Honourable Mr. *Mackay* said :—"My Lord, it is to be regretted that the first Budget Statement submitted to this Council under the rules lately introduced by your Excellency should, by the force of unfortunate circumstances, so far as many points are concerned, be little more than a temporary document. This being so, it would serve no good end to occupy the time of honourable Members by entering upon a discussion of items of projected ways and means, which from the nature of things can be regarded, in a great measure, only as tentative figures.

"Apart from the question of ways and means, however, the submission of the Budget has been accorded a special and peculiar interest, owing to the eloquent, comprehensive, lucid, and exceedingly impressive speech with which it was introduced, and the situation explained, by the Honourable Sir David Barbour. It was impossible to listen to the honourable Member as he addressed this Council a week ago, without being more than ever convinced that the country has been fortunate, indeed, in having had at her financial helm, during the past five years, a man with the matured judgment, experience, and caution, of the honourable Sir David Barbour, and, I believe, all honourable Members must have felt, as I did when he alluded to the fact that this would be the last statement which he would lay before this Council, that it is an unqualified misfortune that he should be leaving the country so soon, just at this critical juncture, when we are more than ever in need of his guiding hand.

"The public, as the Honourable Sir David Barbour said, were prepared for the two serious deficits which he announced, but I venture to think they were scarcely prepared to find that the Government would not be in a position to frame its Budget for the coming year in a manner which would meet these deficits and prevent their recurrence.

"It is a great disappointment to find that 10 months have passed since the proposed change of standard was pressed upon the Government of India and upon the Secretary of State, and that the question still remains unsettled, thereby further impairing the Indian Exchequer and doing nothing to alleviate the anxiety of the public.

"I gather from the general tenor of the Budget and from the preceding Budgets produced by the honourable Member, that there is now in reality only one permanent and grave cause for anxiety in connection with the Indian finances, that cause being the fall in the gold value of silver. Of the four uncertain factors which have hitherto affected the finances, three may be said to have been practically eliminated. War is still doubtless a contingency which may any day become a certainty; but the effective, though costly, measures for the increase and efficiency of the army, which have been taken since 1885, have to a great extent ensured the country against a calamitous reverse, and it is certain that, if war overtook us, though the strain might for a time be severe, it would be nothing more than temporary in its effects.

"Against famine we have also now been insured to such an extent, by the spread of railways and canals, that we may fairly dismiss from our minds the apprehension that we shall see anything approaching in intensity, and difficulty of relief, the famines which used to overtake the country down to the year 1878.

"The third uncertain factor, opium, has now taken what may be called a subsidiary place in the revenue sources of the Empire; the net revenue has fallen since 1881 from nearly 8½ crores to 5 crores—a decline of something like 40 per cent., and it must be recognised that the time is not far distant when the revenue will be still further reduced. Meanwhile, with the decline of the opium revenue, the fluctuations are of less importance in the point of view of the Budget than they were when it formed a very much larger proportion of the total revenue of the State.

"But, while these three uncertain factors have lost very much of the importance which they once possessed, the advantage which would have resulted to the Indian finances has been more than neutralized by the fourth factor, of loss by exchange, which, small in the beginning, has gradually grown larger, until now it is, as Sir David Barbour says, a dominating factor in the finances of the country.

"It is manifestly impossible to set our house in order, impossible to produce a Budget which will reasonably approach to accuracy, as long as this disturbing element is allowed to override and swallow up every provision made for the necessities of the State.

"Sir

"Sir David Barbour still holds the opinion that the best solution of the currency question would be found in an international agreement for the use of both gold and silver as full legal tender, and I think no one will be found to deny that, from an Indian point of view at any rate, this would undoubtedly be the best remedy. But it is vain and futile now to cling to the hope that such an agreement will be made for at least a generation to come, and I gather it is the opinion of Sir David Barbour that it would be unwise to further defer action for the regulation of our currency system till such time as bimetallism will solve the problem.

"The recent Conference at Brussels showed that several nations were opposed unconditionally to the restoration of silver to its ancient position of full legal tender, and that others who were inclined to the restoration of silver absolutely refused to move unless Great Britain gave the lead and went the whole way with them. Early this month the discussion and division in the House of Commons proved that Great Britain would do nothing of the kind, and we have therefore before us three facts: first, that several nations will under no circumstances join the agreement at all; second, that other nations will do so only on condition of Great Britain adhering in full to the agreement; third, that Great Britain positively declines to join in any agreement whatever which would be acceptable to the other nations. Under these circumstances we must regard the question of international agreement as altogether outside the sphere of practical politics, and must make up our minds to do as all other civilised nations have done, that is, take independent action. Let us look, my Lord, at the position into which we have drifted solely owing to our silver standard. We are obliged to curtail expenditure on useful public works. We are literally starving the servants of the Government, and thereby impairing the efficiency of the administration; and we are casting about for new sources of revenue at a time when we ought rather to be engaged in discussing the repeal of unnecessary taxation. The country has now been free from any great calamity for the past 12 or 13 years, the revenue continues to increase, and yet expenditure increases in a far greater ratio, and we are unable to make both ends meet, simply because we choose to retain as a standard of value a metal which has now been discarded as a standard by practically the whole civilised world.

"I remember a few months ago it was argued, in reply to the suggestion that India should change her standard, that Russia was a factor, and that she would benefit in her competition with Indian wheat if India changed to gold. Within the last few days, however, Russia herself has closed her mints to the free coinage of silver, and has placed the rouble on a gold basis. And, speaking of wheat export, it may be within the recollection of honourable Members that considerable stress was laid upon the supposed advantage which India gained through her silver standard in selling her wheat in the markets of Europe. I freely admit that at first sight the condition of things twelve months ago was calculated to give the impression that the low rate of exchange which ruled in 1891 must have had something to do with the unprecedented export of 1,500,000 tons of wheat which marked that year. In the year just ended, however, we have had lower exchange, lower freights, and probably as much wheat available for export as in 1891, and our shipments have fallen off by almost one-half. The theory that low exchange stimulates exports has, I believe, now been generally abandoned, and a study of the wheat export statistics, combined with ruling rates of exchange for a number of years past, including 1892, will, I believe, have the effect of finally discrediting the mischievous theory.

"It has been urged that the proper course for India is to remain a silver country, and to go on re-adjusting her fiscal system till silver finds its natural level. But, my Lord, there would seem to be no natural level for silver. In 1891 we had an outturn of 144,463,000 ounces, while in 1892, with a much lower price than that which ruled the previous year, we have had an output of 152,119,000 ounces. Those who told us a year ago that the low price then prevailing would speedily curtail production are now forced to admit, as even the "Economist" does, in its issue of 4th March received by yesterday's mail, that the fall in price has had the effect of stimulating production.

"The only mints in the world now open to the free coinage of silver are those of Mexico and India. As regards Mexico, the silver coined there is the product of the country, and the coining is practically the stamping of a trade-mark on pieces of silver to admit of their exportation to China and Eastern Asia. We,

on the other hand, allow every producer of silver in the world to throw his production into this country, and we coin it into rupees with which we are obliged to meet our gold obligations, though the rupees are every day declining in their gold value. We refuse to receive gold at our mints, and we hesitate to adopt a gold standard—a position which is as illogical as it is untenable, and I sincerely trust that it may soon be terminated.

"Sir David Barbour says that at this juncture the proper course is to await the decision of the Home authorities on the currency question, before adopting measures which must necessarily be of a stringent and exceptional nature with the object of re-establishing an equilibrium between revenue and expenditure, requiring the imposition of heavy taxation or a large reduction of expenditure, or even both, and he hopes that the Indian public will acknowledge the difficulties of the present position, and will not press for a hasty decision or the inconsiderate adoption of measures which must from the very nature of the case prove to be either inadequate or unnecessary. I feel perfectly sure that the Indian public will fall in with the wishes of the honourable Member, at any rate so far as not to press for the imposition of additional taxation. But I do not feel so confident that the country will be inclined to accept the decision of Lord Herschell's Committee without demur, should it be against us, and should it involve us in further overwhelming imposts.

"Sir David Barbour, I observe, has confidence in the resources of the country and in the industry of its people, and, while he admits that the task of establishing, securing, and maintaining, the integrity of the financial position of India in the event of our continuing on a silver basis may be a heavy one, he considers it will be our plain and obvious duty to address ourselves as best we may to fulfilling the task. Now, my Lord, I have, like Sir David Barbour, great confidence in the resources of the country and in the industry of the people. I should be perfectly willing to bear my share of burdens imposed in view of real emergency and for the common weal; the emergency, however, which is staring us in the face is not a real one, but is of our own creation, and the crippling of our resources and the grinding of our industry by taxation will not remove the evil. The evil will present itself again with every further decline in the rupee, and the operations of crippling and grinding will have to be repeated indefinitely. I do not think the country will calmly consent to taxation which will be applied to no useful purpose, and which will be as great a loss to the people as if the money extracted from them were taken out to sea in one of my steamers and cast into the Bay of Bengal.

"It would have been interesting if Sir David Barbour could have given us some indication of the resources and industries to which the fresh taxation can be applied—taxation to yield, say, an additional 10 crores of rupees. It seems to me that, if we decide to continue on a silver basis, and England decides to retain us as a dependency, before many years are over one-half of our population will be engaged in the occupation of collecting taxes for the State, while the time and intelligence of the other half will be devoted to devising means to avoid the payment. I believe I shall not be without the mark if I say that those who watch the progress of affairs in India most attentively are fast coming to the conclusion that the depreciation in the value of the Indian currency is beginning to press with serious effect upon the poorer classes of the population, and this is a phase of the question which should not be longer disregarded, but should attract the gravest attention of the Government, not only in this country but in England. If, therefore, it should unfortunately happen that Lord Herschell's Committee and the Secretary of State are not inclined to permit this country to adopt the much-needed reform of her standard so as to bring herself within the pale of civilisation, I trust that the Government of India will insist on being furnished with the fullest and most cogent reasons for inaction, and that they will not quietly accept the verdict, if it be against their own convictions, but that they will continue to press upon the Secretary of State the fact that this country can never hope to settle down to a period of assured internal peace and financial prosperity, nor can her resources be properly developed, until such time as she has secured a standard of value which is common to that of England."

The Honourable Lieutenant-General *Brackenbury* said:—"The Honourable Sir Griffith Evans has called attention to our military expenditure in terms to which

which I for one can take no exception. The Government of India should, and does, welcome such friendly criticism of its acts, and I am the more glad that he has made those remarks in Council, because I am thus afforded an opportunity of making a few observations which, I venture to hope, may remove from his mind, and from the minds of others, some of the misapprehensions which now exist as to what is called the constant growth of military expenditure.

"In the first place, I would wish to say that the Government of India are not running blindly on in this matter. We have given the very closest attention to military expenditure; and for many months past our Accountant General has been engaged in the preparation of an analysis of military expenditure for the last 10 years, which we are sending home to the Secretary of State, and in regard to which we have undertaken still further investigation.

"The opinions of my honourable friend and others as to this great growth of military expenditure are based upon the figures contained in the Financial Statement. These, I should like to point out, are gross figures; and gross figures are apt to be somewhat misleading when taken by themselves. In many items of our military expenditure our receipts rise almost exactly in proportion to the outlay which appears in the estimates of gross expenditure on those items. But, without going into any lengthened exposition of figures, I may state that there are more than 71 lakhs of receipts to be set against the gross expenditure shown as to be incurred in India for 1893-94 in the Financial Statement, and I think it will be more convenient if I deal with net figures in connection with what I am about to say.

"Now, I have before me a table prepared in the Financial Department, and vouched for by the signature of my honourable friend Sir David Barbour, which gives the net army expenditure in India for the past 10 years, commencing with the year 1884-85. That year has been chosen because it was the year when the military expenditure touched its lowest figure, after the Afghan War. I find that there was between that year and the following year (1885-86) a leap of more than three crores in the military expenditure. The causes which occasioned that rise in military expenditure between 1884-85 and 1885-86 are familiar to everyone in this Council, and it is scarcely necessary that I should refer to them. Since that date of 1884-85 the army in India has been increased by more than 11,000 British soldiers and 19,000 Native soldiers, and measures have been taken to render the army of India fit to take the field without delay on any emergency that might arise. From 1885-86 military expenditure has been constantly higher than it was before that date. But, since that great leap took place between 1884-85 and 1885-86, I contend that there has been no constant or great rise in military expenditure in India except such as has been brought about by a falling rate in exchange, and I think I can prove this by a very simple statement.

"In 1885-86 the amount of net army expenditure brought into account in India was Rx. 14,361,000. In the year 1893-94 the Budget Estimate is Rx. 14,981,000. The difference between the net military expenditure in India between 1885-86 and 1893-94 is therefore 62 lakhs of rupees, and, of these 62 lakhs, 57½ lakhs are due to the fall in exchange, the actual increase apart from that item of exchange being 4½ lakhs of rupees.

"Exchange in 1885-86 stood at 1*s.* 7½*d.*, while this year it has been taken at 1*s.* 2¾*d.* Every farthing of difference in exchange makes a difference of three lakhs of rupees in the military estimates for the pay of the British soldier. There have been fluctuations between 1885-86 and 1893-94, and those fluctuations, I think it may fairly be said, have been chiefly due to expeditions. It is not for me to say much upon the subject of these expeditions. They are not due to the action of the Member of Council who is at the head of the Military Department; they are due to the action of the Governor General in Council; but I would like to make this one remark. I was reading a few days ago, in the French Official Journal, a debate in the French Chamber on their own colonial policy. A member of the Opposition, attacking the policy in Tonquin, said:—

> 'There are two Tonquins, the Tonquin of the plains and the Tonquin of the hills; and my contention is that we should administer the Tonquin of the plains, and let the Tonquin of the hills alone.'

"The answer made to him by the Minister for the Colonies was this. He said:—

'Tonquin is like one of those luscious tropical fruits of which you cannot enjoy the juice until you have broken the rind.'

"I venture to think that that simile applies forcibly to India. That rind extends from the frontier of Baluchistan to the Burmese frontiers of China and Siam.

"The Honourable Sir Griffith Evans has acknowledged, as has the Honourable Mr. Mackay, the good work done in connection with improvements in the army. I think both these honourable gentlemen were present recently when the Commander in Chief, in his speech at the public dinner given to him in Calcutta, explained and stated how much had been done in recent years for the army in India. He spoke of the reduced death-rate of the British troops, which has come down from 69 to 15 in the 1,000, owing to improved sanitary arrangements; of the reduced amount of drunkenness, and of the crime resulting from it; he spoke of the improved shooting of the British army in India, and of the Indian army, saying, with perfect truth, that the army in India is now absolutely second to none in this respect; and I trust that those who criticise military expenditure will not forget that Lord Roberts, in making that speech, said clearly that it was due to the wise liberality of the Government of India that these great improvements had been made.

"There is one cause, I will not say of increase of expenditure, as of our expenditure not going lower than it is, in which I feel perfectly certain I shall have the sympathy of everyone here, and that is that we have been making great efforts to render India as independent of England as possible. We are now manufacturing in India clothing and boots for the whole army of India, which were formerly made at home; we are making ammunition for the army; we have introduced the manufacture of steel for the projectiles of our heavy guns; and we hope shortly to introduce the manufacture of cordite, the new smokeless powder, for which we are at present dependent on England. I need not say that all this means money spent in India instead of in England, and that it adds to the expenditure shown in the Indian Estimates; but it will undoubtedly, in the near future, cause not only a corresponding, but a greater, decrease in the Home Estimates, because it has been distinctly shown that we can manufacture in this country, bringing the capital afforded by the State to the cheap labour of the East, much more cheaply than the same articles can be manufactured in England.

"In regard to military works, I think it is scarcely necessary for me to say more than a few words; because a fixed sum of a crore is granted every year for such works, the only addition being that when Upper Burma was taken over, and a special addition was made for military works in that country; but that sum is virtually fixed, and I think I may say that it is useless to take any exception to the amount of money spent, because every year the demands upon us for imperial and provincial military works come to six or seven times the grant at our disposal.

"In regard to strategical railways, a subject which was also referred to by the Honourable Sir Griffith Evans, we are now engaged in making two railways which I venture to think are of vital importance to our military position on the north-west frontier; the Murree-Attock line, which will complete our transverse railway communications on the left bank of the Indus, and the Mushkaf-Bolan line to Quetta, which we hope and believe will place our direct communication with Quetta by rail beyond all risk of flood or other accident. When these two railways have been completed, there is not, so far as I am aware, any other strategical line that has been sanctioned by the Government of India; and therefore, unless some fortuitous circumstances occur which we cannot now contemplate, compelling us to change our policy, I do not think it likely that there will be any fresh important expenditure under the head of Strategical Railways.

"As regards special defences, as has been stated by the Honourable Sir Griffith Evans, a special sum has been allocated for the purpose of fortifying India. That sum is now spent, with the exception of about half a million pounds sterling; and when it is all expended this heavy yearly charge also will, I hope and believe, practically cease. It may interest the Council if I read an extract from a Despatch received from the Secretary of State to the Governor General

General in Council, dated the 9th instant, which was received yesterday. Lord Kimberley writes:—

> 'The explanation given in paragraph 4 of the Review of Military and Marine Stores Expenditure for India for 1890-91 seems sufficient to account for the increased expenditure in England during the four years 1887-88 to 1890-91. The supply of the 70,000 magazine rifles demanded has now been completed, and, when the guns for the siege train, heavy field batteries, and north-west frontier defences, and of machine guns for the various services, have also been provided, there appears at present to be no reason why the expenditure should not return to normal.'

"I would point out that we have now nearly completed the frontier defences of India and the defences of our seaports, and have armed them with the latest and most efficient artillery. We have nearly completed the re-armament of our British infantry with magazine rifles, and of the Native army with Martini-Henry rifles, and the entire re-armament of our field artillery with the latest and best weapons; and we have done all this without borrowing, while France, Germany, Austria, Italy, and every European nation, has had to resort to borrowed money for these purposes, and even rich England borrowed money for her fortifications, and even to build new barracks for her troops.

"I would only add this, that we are determined to exercise all possible economy in military expenditure. Steps were taken by me this year, in conjunction with my honourable colleague the Financial Member, to introduce greater order into the military financial arrangements, steps which I trust will, in the near future, result in improved economy. I can assure my honourable friend Sir Griffith Evans that nothing that we do not consider absolutely necessary has been included in the Estimates of this year, and that a sum larger than that by which the Estimates have been increased for items which the Commander in Chief and I would have wished to include in the Estimates was put aside, owing to our willingness to recognise the financial difficulties which made it undesirable to increase the Estimates further; and I may assure him that in our establishments we do everything that we can to keep down expenditure to the very lowest limit, that we have no 'redundant' clerks; and that we have no officers drawing special salaries for posting letters."

The Honourable Sir *Philip Hutchins* said:—"My honourable friend Mr. Chentsal Rao has mentioned three points on which it seems desirable that I should offer a few words of explanation. I am glad to say that his observations on all three have been anticipated by the Departments of which I have the honour to be in charge. Two concern the Home Department; the third that of Revenue and Agriculture.

"And, first, with regard to the surplus under the head of Registration. Very recently the Government of India have been in correspondence with the Secretary of State regarding an increase to the registering establishments in the Madras Presidency, and in the course of it we ourselves distinctly laid down the principle, and Her Majesty's Secretary of State assented to it, that registration had never been intended to be a source of revenue. That I understand is what my honourable friend contends, so that we are entirely in accord with him, though this is not a time at which we can afford to give up any income which we already possess. The only doubt which the Secretary of State raised was, whether the surplus should not be devoted rather to the increase of facilities for registration or the reduction of fees than to the improvement of the establishments. As to the reduction of fees, I am glad to find that the honourable Member, with his far more intimate knowledge of the real sentiments of the people, has so entirely confirmed my own view, which is that the present fees are not at all regarded as excessive. Whether further facilities are required is being considered by the Local Government. I know it is a point which they have always kept in view, and I was under the impression that they had already done as much in this way as could reasonably be expected.

"Next, my honourable friend drew a comparison between the cost of the police in Bombay and Bengal. This is precisely the ground on which the Government of India lately demurred to a demand made by the Bombay Government for increased expenditure on its police. I wish I had the Local Government's reply here to read to the Council, for I feel sure that it would satisfy them as it satisfied me. Speaking from recollection, I can say that there

are three main reasons why the cost of the Bombay police is so high in the presidency proper. The first is the vicinity of the Native States, which are included in its boundaries or march along its northern and eastern frontier. The second cause is the number of wild tribes, like the Bhils, which require constant and careful watching. Lastly, the ordinary rates of wages for unskilled labour, and for those classes from which the rank and file of the police are drawn, are greatly in excess of the rates prevailing in Bengal.

"Towards the end of his speech the honourable Member asked that a special officer should travel through each province to offer and distribute advances under the Land Improvement Act. I cannot think this is necessary, though the suggestion will doubtless be considered by Local Governments. During the last year or two the Government of India, in the Revenue and Agricultural Department, has constantly impressed on the district officers their duties in this respect, and commended by name those who have worked the Act with energy and success. I am confident that the people are now well aware almost everywhere that loans can be had for asking, provided security is forthcoming. That this is the case in Madras, to which the bonourable Member chiefly referred, is shown by the enormous sums distributed under the Act, as I recently had occasion to inform the Council, during last year's scarcity. On the same occasion I showed that the rules had been greatly simplified, and that the procedure had been made as prompt and summary as is consistent with the security of the taxpayers' money, of which we are merely administrators. At such a time of financial difficulty as the present I can hardly press the Financial Department for a larger allotment of funds for loans.

"I shall leave his Honour the Lieutenant Governor to deal with Sir Griffith Evans's remarks on the Bengal civil courts and the accommodation for them, merely remarking that the matter is one which seems more suited for discussion in the Bengal Council than in that of your Excellency. My recollection is that the full number of justiciaries which the High Court ultimately thought to be necessary were supplied fully two years ago."

His Honour the *Lieutenant Governor* said:—"As my honourable friend Sir Philip Hutchins has just mentioned, the question of the cost and supply of subordinate civil judicial officers in Bengal is more properly a question belonging to the Provincial Budget, which will be discussed in the Bengal Council on Saturday next; but, as the Honourable Sir Griffith Evans was good enough to give me a warning that he was going to speak upon the subject to-day, I prepared a brief statement of the figures in order to be able to present them to your Excellency's Council. The answer of the Government of India, when the debate took place in March 1890, was that they had not come to a final decision upon the subject, as the matter was still under consideration between the Local Government and the High Court. But in July 1891 they passed final orders on the subject, and these orders are now in force. In 1890, when the subject was first mentioned, 36 temporary munsifs and three temporary subordinate judges had been appointed to meet the difficulty, before it was finally settled what the ultimate additional force should be. It was eventually decided that 55 extra munsifs and four extra subordinate judges should be appointed in Bengal, the total additional cost for these officers and the establishments attached to them being two and three-quarters lakhs of rupees. Besides that, the Government of India obtained from the Secretary of State sanction to the proposal that two supernumerary subordinate judges and six supernumerary munsifs might be appointed from time to time, whenever the Local Government, on the motion of the High Court, should request that additional staff might be created to meet any temporary difficulty.

"With regard to the results which have been achieved, I believe from what I have heard, and especially from the annual report sent in by the High Court, that this addition to the strength of the subordinate judiciary has met sufficiently the demands of the country. I notice that in 1889 these courts disposed of 461,000 cases, and in 1891 they disposed of 485,000, so that we are pretty closely keeping on a level with the growth of institutions; and I believe it may be said that there are at present no demands in any quarter for an addition to the strength of the judicial staff, and no complaint that the persons who are concerned in litigation have not sufficient opportunities of getting their cases punctually and satisfactorily disposed of.

"The

"The question of the accommodation of these Munsifs is one in which I have taken special interest, for I satisfied myself, when I came to make inquiry into the state of things, especially in Eastern Bengal, that many officers, and especially Munsifs, though not Munsifs alone, were housed in a manner which was not at all in conformity with the dignity of the Judicial Bench, and hardly sufficiently well for their own health and comfort. In 1891-92 a lakh and 91,000 rupees were spent on the provision of additional accommodation for Munsifs, and in 1892-93 a lakh and a quarter of rupees have been set aside for this purpose. Although these sums may seem small in comparison with the figures involved in the expenditure of the Military Department, regarding whose moderation and self-restraint we have heard so much to-day, I can assure you that it is with great difficulty that they have been provided for from the finances of Bengal. We have only about ten lakhs which we can devote to original works, and out of this we have to provide for Revenue and Criminal Courts, as well as Civil Courts, for jails, schools, police buildings, hospitals, and a few other smaller departments; and the amount spent on judicial buildings exceeds the amount spent on any other department in the province.

"I should like to take this opportunity of saying a very few words on the subject of registration. The Honourable Mr. Chentsal Rao has asserted—and the Honourable Sir Philip Hutchins has agreed—that it is a standing axiom that registration should not give any net revenue to the Imperial finances. I venture to think that that is an axiom which the Government of India should hesitate to accept. I grant that the fees should not be fixed too high, and that the first charge on the income should be a provision for extending registration establishments and offices wherever they are wanted. But, so long as these two postulates are satisfied, why should there not be a surplus of revenue over expenditure in this as in any other business? The dogma is one which at the present time requires serious consideration, and I will ask the Government of India to think carefully whether it should pledge itself to a principle like this, at a time when, as Sir David Barbour has said, it may be absolutely necessary to impose fresh taxation to meet the financial exigencies of the country. In the year 1878 or 1879, I think, the Honourable Mr. Bazett Colvin was appointed by Sir John Strachey, when Finance Minister, to draw up a series of notes on all possible sources of taxation not yet developed in India. He treated a great number of those put forward as nostrums in newspapers and by other persons, and rejected most of them as impracticable; but he showed that it was possible to raise a very considerable revenue from the registration of landed property in India. I daresay Honourable Members are aware of the amount of revenue that taxation has produced from this source in France. The constant *morcellement* of landed property which goes on there is protected by a very careful and complete system of registration, and for this protection a high price is paid. I have not looked into the figures lately, but I believe the French finances receive as much as seven or eight millions sterling a year from the registration of landed property. And I have for many years looked upon this as really the sheet anchor of Indian finance, if it is absolutely necessary in the future to impose fresh taxation. I therefore think it important at the present juncture to put in a word of warning, and to request the Government of India not to use any general words of condemnation about a source of revenue which they may find it necessary to have to resort to before very long."

The Honourable Sir *David Barbour* said:—"I have to thank the Members of this Council for the very moderate tone they have adopted in criticising the Financial Statement of 1893-94.

"I am only too conscious that the Statement is open to attack on many points, and I fully recognise that the moderate, I might say indulgent, tone which has been adopted in the discussion is due to the fact that the difficulties under which the Government of India now labours are fully recognised, and that the Council desire, as much as possible, to avoid adding to the embarrassment of the Government.

"While thanking the Honourable Members of Council, on my own behalf, for the friendly spirit they have exhibited, I take the liberty of adding that in my opinion the moderation they have shown on the first discussion of the Financial Statement under the new Act is of good omen for the future, and I can assure them that, so far as I am concerned—and in this matter I believe

I can speak for the whole Government—their criticisms and suggestions will not carry the less weight, because they have been put forward in temperate language, and with a due regard to the difficulties of the present position.

"The Honourable Mr. Fazulbhai Vishram has suggested that a portion of the cash balance of the Government of India should be invested so as to earn some interest.

"This course could no doubt be followed with advantage if we had in India a great money market such as exists in London. As matters stand in this country, I am afraid any attempt to invest a portion of the cash balance would do more harm than good. In the first place, our cash balance is not concentrated at the Presidency towns. It is scattered all over the country, in the various district and local treasuries, and we must always have a large amount of cash actually available. This amount I would not place at less than ten crores of rupees.

"Of the balance a certain proportion is lodged in the Presidency Banks. The Banks do not pay interest on the money so lodged, but the use of these balances is one of the considerations for which they undertake to do the Government business, and in this way the Government receives the value of its money.

"Another portion is kept in the Reserve Treasuries of the Government of India, and is employed to meet sudden emergencies. In Bombay, public opinion has generally favoured the loan of this money for short periods and at a low rate of interest, but in Calcutta a different view has prevailed.

"After full consideration, the Government of India have decided that it would not be to the public interest to accustom the Indian money market to rely in ordinary times on advances from the Reserve Treasuries. Such advances might not be of great relative importance in the London money market, but they would be of greater importance in India; they would be liable to be recalled at any moment, and, if such recall took place when from other causes money was dear (as it sometimes is in India), very serious consequences might be produced. It has been decided, and I believe rightly decided, that the public interests will be best served if the surplus cash balance is kept as a reserve to meet any special difficulties that may arise. When stringency arises in the open market the Presidency Banks can often obtain advances from the Government, and they sometimes avail themselves of such advances. If gold is scarce in London, a slight raising of the rate of discount very soon brings in gold from other countries; but the case is very different in India. It takes a great rise in the rate of discount to attract capital temporarily to India. The money market has been easy in India for some years, but periods of very great stringency have arisen in the past and will no doubt be experienced in the future. The Government balances are really the only special reserve we have got. They can be readily made available in time of need, either by buying the Secretary of State's bills, or by being temporarily lent to the Presidency Banks.

"It is quite true, as the Honourable Mr. Fazulbhai Vishram remarks, that with the fall in exchange the rupee pay of the Civil Services decreases in gold value, and the sterling pay of the British troops goes on increasing in silver value!

"This is just one of those anomalies of which we hope to get rid by a settlement of the currency question.

"I am sorry that I cannot give any further information at present as to the terms on which the loan of 300 lakhs will be raised. The terms of the loan must be settled with reference to the state of the money market at the time it is raised, and it would not, under any circumstances, be prudent to attempt to settle them some months in advance. The currency question has so unsettled financial matters in the present year that special caution is necessary.

"The Honourable Sir Griffith Evans made some remarks on the general financial position. He alluded to the large deficit in the estimates, and he pointed out that, if we absorbed the Famine Grant and withdrew the amount devoted to the construction of Railways and charged against Revenue under 37, the deficit would be largely reduced.

"He

"He also pointed out, and very fairly, that the rate of exchange taken in the estimates was considerably above the market rate of the day, and that the estimates contained no provision for compensation to officers on account of the fall in the gold value of the rupee. Taking everything into consideration, he came, as I understand him, to the conclusion that the Financial Statement did convey a correct picture of the present situation. That is a conclusion which I cannot be expected to controvert, and I need only explain that the sum of Rx. 75,100, which is to be expended on the construction of railways, and which he thought might be taken in reduction of the deficit, is Provincial and not Imperial expenditure, and that to strike it out of the estimates would not affect the deficit on the Imperial account.

"My honourable friend also made some remarks as regards the Home charges. Now, these charges may be looked at from two points of view. We may consider the total disbursements in England on account of India, or we may confine ourselves to that portion of the Home disbursements which goes to meet the cost of the India Office.

"I may mention, in the first place, that I have always been, and am now, strongly opposed to any increase in the disbursements in England on account of the Government of India. I think there are great objections to any such increase both from a political and from an economic point of view. But it is not so easy to keep down these charges as might at first sight appear. Everybody is prepared to agree that they should be kept down, but such agreement is what I may call an agreement in the abstract. When we come to concrete cases I do not find the same unanimity. For example, nothing is more beneficial to India than the construction of railways, and, sooner or later, great authorities urge that more rapid progress should be made in their construction. It is found that more money cannot be raised in India, and about this time the persuasive voice of the promoter is heard in the land, and simultaneously, and by what appears to be a sort of pre-ordained harmony, Chambers of Commerce both in India and in England take up the question. It is said that, if the Government of India will only give a guarantee, quite a trifling guarantee and one which will really impose no burden on the finances and which is merely put forward to remove the doubts of Lombard Street, money will flow into India for the construction of railways, and untold benefits will be conferred on the population. It is very difficult to resist a cry of this sort, raised in a very telling manner by a host of ingenious promoters, and supported by eminent authorities. At the same time, if we give way to it, the Home charges must be increased.

"Having said so much on the general question of the inexpediency of increasing the Home charges, I wish to add a few words which may help to remove some misapprehensions regarding them.

"It will be seen from paragraph 93 of the Financial Statement that the net Home outgoings for the coming year are estimated at 22,052,500*l.* This is no doubt a gigantic sum of money, but 1,249,200*l.* of the amount merely represents the paying off of certain railway debentures, and for this purpose a loan of 1,300,000*l.* will be raised. In other words, the transaction is simply a conversion of debt from one form into another form. A further sum of 2,609,200*l.* represents the repayments to Railway Companies of money received from these Companies in former years. If we act as, what I may call, Bankers for these Railway Companies, we must expect to have to repay to them the money which on a previous date we received from them. Sometimes we receive more in a year than we pay away, and sometimes we pay away more than we receive.

"In 1893-94 we expect to pay away 2,609,200*l.*, and we only receive 1,420,000*l.*

"There is also a disbursement of 1,383,200*l.* on account of remittances. This represents money which the Government of India receive in India and pay away in England. Some of this money is received from Railway Companies and is sent Home for the purchase of stores; some of it represents money received from Government servants in India and paid out to their families in England; some of it is money received from Native States or Local Governments for the purchase of stores, and so on. In short, these remittances are not, *quâ* remittances, a charge against the revenues of India.

"There is also a sum of 1,160,600*l.* on account of capital expenditure. This

is money paid for the purchase of stores, and a direct commercial equivalent is received for the expenditure. I know no means whereby locomotive engines or steel rails can be procured for nothing, or without paying for them.

"There remains the net expenditure of 15,650,300*l.* to be accounted for. Now, of this sum no less than 5,747,200*l.* is on account of the Railway Revenue Account, and it is money well laid out, and it brings in an ample return, including direct and indirect advantages.

"There is also a payment of 2,419,400*l.* on account of interest on and management of debt. The rate of interest payable is 3½ or 3 per cent., and I know of no market other than that of London where money could have been raised so cheaply.

"There is also a payment of 1,404,900*l.* for the purchase of stores for use in India. As I said before, I do not know any way of getting stores except by paying for them. The balance includes payments for Postal and Telegraph communication with England, payments to the Admiralty for services rendered, and payments of political pensions to persons of Indian descent.

"I will not pursue the subject further. I am anxious to see the Home charges kept as low as possible, but I have said enough to show that they are not that gigantic, unjust, and crushing burden on India which they are sometimes alleged, and I dare say believed, to be.

"I come now to the remarks which the honourable Sir Griffith Evans made regarding the cost of the India Office.

"I may explain that the establishment of the India Office is not under the control of the Government of India, but under that of the Secretary of State for India in Council. The estimates and accounts of the India Office are laid before Parliament every year, and it should, I think, be presumed that due regard is paid to economy unless the contrary can be proved. My honourable friend's criticisms were put in an amusing form, but I think that in the absence of any real knowledge of the facts it would be wrong to take them for more than they are worth, lest in so doing we should do injustice to a large body of public servants who have no means of defending themselves in this place, and regarding the exact nature and extent of whose duties our information is necessarily very defective.

"As regards the Persian and Chinese Missions I may point out that these Missions perform certain services on account of the Indian Government. We have important relations with China in regard to opium and other matters; the China Mission does a certain amount of work for us in connection with these matters, and the payment is supposed to be for that work. I am happy to say that in the case of these Missions there has been quite recently some reduction of the total charge.

"The honourable Mr. Chentsal Rao has called attention to the surplus of about 15 lakhs of rupees, which is realised from the Registration Department, and, as that is a Department which is not maintained for the sake of the revenue which it produces, he has urged, with, as it seems to me, some reason, that the surplus should be devoted to the increase of the facilities for registration.

"I may explain that the Registration Department is managed by the Local Governments concerned, and any increase of expenditure which they might consider necessary in order to facilitate registration would not ordinarily be objected to by the Finance Department. It can hardly be expected that at the present conjuncture I should urge them to increase expenditure on any object, however desirable in itself, but I am sure they will be prepared to take into consideration the suggestion which has now been made, and for my part I shall be prepared to leave the matter in their hands and to accept the decision at which they may arrive. I may mention, however, that the surplus of the Registration Department is not so large as the honourable Mr. Chentsal Rao supposes, because the figures he has used do not include the charge for buildings and for pensions, or for some other items of no great importance. The honourable Sir Charles Elliott has alluded to the possibility of our some day raising a large amount of revenue from a tax on registration. Far be it from me to set aside summarily any suggestion for increasing the revenues, but I may say that, so far at my information goes, I am not sanguine that we could raise as much money from this source as the French Government appears to raise in France.

"The

"The honourable Mr. Chentsal Rao has also called attention to the Famine Grant. The amount of this Grant was determined in the following manner. It was calculated that the loss, from falling off in revenue and actual expenditure on relief, due to scarcity and famine, would amount to 15 crores of rupees in every period of 10 years, and it was held that a provision of 1½ crores yearly would be sufficient as an insurance against such loss.

"I am disposed to agree with the honourable Member that the provision made was unnecessarily high, if we look only to the possible loss from drought, scarcity, and famine.

"On the other hand, this Famine Fund is really our only Reserve readily available to meet any of those vicissitudes to which the Indian finances are unfortunately liable, and I think this point should be borne in mind if it should be decided hereafter to take into consideration the question of reducing the amount of the Grant.

"In point of fact the Famine Grant, looked at simply as a reserve for the purpose of meeting the financial effects of famine, does not at present amount to so much as 1½ crores of rupees.

"In the coming year Rx. 340,200 from this Grant is set aside to meet the loss on the Indian Midland and Bengal-Nagpur Railways; Rx. 65,000 is devoted to the construction of Protective Canals; Rx. 1,054,300 is devoted to the construction of Protective Railways, and only Rx. 40,500 is devoted to actual relief of famine.

"The whole Grant is devoted to purposes connected with famine, but only a very trifling proportion of it is set aside for the direct relief of persons who may be in distress owing to scarcity or famine.

"I should be very glad indeed to see the export duty on rice repealed, but in the present state of the finances I could not recommend that any portion of the Famine Grant should be devoted to this purpose. We are passing through a grave crisis, and should husband our resources to the utmost.

"The honourable Mr. Chentsal Rao has alluded to the variation in the amount of charges under certain heads in different Provinces. It can hardly be expected that I should enter in detail into an explanation of all these variations.

"Speaking generally, the explanation is that in dealing with India as a whole we are dealing with a Continent, and not with a single country.

"The circumstances of the different Provinces vary very widely.

"For example, the percentage on receipts of the cost of collection of Assessed Taxes varies from Province to Province, because some Provinces possess revenue officials who assess and collect the Income-tax in addition to performing their other duties, and whose salaries are not charged as a portion of the cost of collecting these taxes.

"In such Provinces as Bengal, on the other hand, where, from the nature of the Land Revenue system, local establishments are small in number, a special agency has to be employed for the purpose, and the whole cost of such agency is charged against the tax.

"The Excise systems, too, vary very much from Province to Province, and so do the habits of the people in respect of the consumption of excisable articles. It is impossible to draw any conclusions from the mere fact that the cost of collection is higher in one Province than in another. With regard to the difference in the cost of the Police in Bengal and Bombay, I may remark that wages are higher in Bombay than in Bengal. The cost of the Bombay Police also includes about six lakhs on account of Special Police in Native States, the cost being recovered from these States. It also includes nearly five lakhs on account of alienation of Land Revenue in favour of the village-officers connected with the Police. Bombay is the only Province in which such alienations are passed through the accounts.

"The honourable Mr. Chentsal Rao also calls attention to the increase in superannuation allowances. There is, from the nature of the case, a steady growth of expenditure under this head, which is no more to be wondered at than is the growth of population and of general revenue.

"It must be recollected that there has been in past years a great increase in the number of officers employed under the Government of India, and the inevitable result is the growth of superannuation charges.

"There has also been in the current year some temporary increase of charge owing to superannuation allowances being paid monthly instead of quarterly in England. The decision to pay certain pensions in England at the favourable exchange of 1*s.* 9*d.* added something to the expenditure. The normal increase of expenditure under this head is about Rs. 4½ lakhs yearly.

"The Honourable Mr. Chentsal Rao has referred to the advances on account of Land Improvement, and expresses a hope that the amount set aside for this purpose may be increased.

"The amount that can be devoted to such purposes is necessarily limited, but I believe more money is being advanced now than was formerly the case, and I hope it may be possible to increase it still further in future years. The total provision placed at the disposal of Local Governments for advances to agriculturists in the coming year is rather more than 33 lakhs of rupees. This is nearly three times the amount actually advanced in 1888-89. In 1891-92 and in the current year very large amounts were advanced, but these high advances were made in consideration of the drought and scarcity that prevailed in Madras, Bombay, and Ajmere.

"A reference to paragraph 33 of the Financial Statement for next year will show how great are the claims of all kinds on the Government of India at the present moment, and I have been agreeably surprised that we have been able to meet them as fully as we have done."

His Excellency *The President* said:—"I wish, in the first place, to acknowledge, as my honourable Finance Colleague has done, the considerate and practical character of the observations elicited by the presentation of the Financial Statement.

"It will, I daresay, have struck honourable Members that the situation with which the Government of India finds itself confronted is not a bad illustration of what is sometimes spoken of as the irony of events. It is certainly not a little mortifying to us that upon this, the first, occasion, when the discussion of the Financial Statement has taken place as a matter of right under the provisions of the Act of last year, we should be driven to lay before the Council so discouraging an account of our finances, and to add the admission that, for the present, it is beyond our power to describe the means by which we can hope to extricate ourselves from the difficulties and embarrassments which surround us. How much pleasanter it would have been if the honourable Financial Member had been able to tell you of overflowing coffers, or, if they were, for the moment, less full than we could have wished, to explain to you the measures by which he looked forward to re-filling them in a suitable manner. I can assure my honourable colleagues that, if the suspense and uncertainty through which we are passing are trying to the public, they are not less trying to us.

"I believe, however, that the Budget which my honourable friend laid upon the table last week will serve a very useful purpose. It is, I cannot help thinking, the most striking object lesson in Indian finance which has yet been given to the world. My honourable friend reports to us that in two years the fall in exchange has added to our liabilities a sum exceeding four crores of rupees, a strain which he has said with truth our finances are at present unable to bear. We find ourselves compelled to restrict as closely as possible our expenditure upon those useful works on which this country depends so much for the development of its vast resources, and we are within a measurable distance of new taxation, the amount and incidence of which it is impossible to foretell, but which, if we are driven to impose it, will certainly be of an onerous kind. We are threatened with all these misfortunes, not because we have plunged the country into war, not because we have recklessly undertaken new expenditure, but because our medium of exchange is one the value of which is liable to violent and unforeseen fluctuations which we are entirely unable to control. It struck me, when the honourable Member was delivering his speech last Thursday, that nothing could have given more point to what he said as to this part of his case, than his announcement that, in the interval of time between the compilation of the Estimates and their submission to this Council, the further fall which had taken place was sufficient, if maintained throughout the year, to add Rx. 700,000 to our expenditure. There has, I am glad to say, since been some recovery, but the fact is none the less worthy of attention.

"My

"My honourable friend is, I am afraid, but too well justified in regarding our position with grave apprehension. Not that, under ordinary circumstances, a deficit in an Indian Budget is necessarily a cause for very serious alarm. A country which has contracted large sterling liabilities, and which has to meet them from revenue collected in silver, cannot expect to adjust the income and expenditure of each year that passes with close precision. If these fluctuations were of an ordinary kind, if there were a reasonable prospect that an oscillation in one direction would be followed by an oscillation in another, we might well be content to find that, one year with another, our average income balanced our average expenditure during a term of years. Judged by this criterion, our financial history during the last four years is satisfactory enough. The honourable Financial Member would be able to show that, taking the first four years of his own term of office as Finance Minister, he has had a net surplus of Rx. 5,686,000, an amount which would cover any deficit with which we can conceivably be confronted in his fifth year. Unfortunately for us, however, it is impossible to limit the question in this manner. We have to consider, not so much the years which are past and gone as those which lie immediately ahead of us, and, if we look forward to these, there can be no doubt that we have cause for serious alarm. In spite of the slight reaction which is apparently taking place, there is absolutely nothing to show that the rapid fall in the gold value of the rupee has yet come to an end, and we should remember that, with each further fall, our difficulties increase at a progressive rate. To make my meaning clear, I may explain that, whereas a fall of one farthing in the gold value of the rupee, when exchange is at 1*s.* 6*d.*, involves a loss to the Government of India of 29½ lakhs, a similar fall, when exchange is at 1*s.* 4*d.*, means a loss of 37½ lakhs, while, if the same fall takes place at 1*s.* 2*d.*, the loss rises to no less a sum than 48½ lakhs. No re-adjustments of taxation can keep pace with such a downward progress as this.

"It is this prospect, and this alone, that makes the outlook so alarming. In other respects I believe the financial position of this country to be perfectly sound, and, as Sir Griffith Evans has pointed out, there are not wanting hopeful elements upon which it is possible to dwell with satisfaction. Our total indebtedness is not great, and the larger part of it has been incurred upon useful works for which the State obtains a fair return, or which may, at all events, be regarded as valuable assets. We have been extremely careful to avoid reckless borrowing, and we have indeed, as the Honourable General Brackenbury has truly said, met out of ordinary revenue many liabilities which in other countries would have been provided for out of borrowed capital. Our land revenue has, as the honourable Financial Member has shown, risen steadily in spite of somewhat adverse circumstances, and it will continue to rise. Our income from railways is progressive, and the gradual development of our commercial lines will, I feel no doubt, add still further to our resources.

"The large expenditure which has taken place during recent years upon special defences should, in the course of the next two years, come to an end, and our Military Budget will be thereupon relieved of a sum of some 40 or 50 lakhs per annum.

"These accessions of wealth would, in all probability, counterbalance the gradual fall in our revenue from opium—a revenue which is threatened both by Chinese competition and by political influences—but for the continued fall in the gold value of the rupee. It is, however, melancholy to reflect that, although we now take Rx. 25,000,000 of land revenue from the people of India, instead of the Rx. 21,000,000 which we received 20 years ago, the larger sum, if tens of rupees be in each case converted into sovereigns at the price of the day, represents only £15½ millions, instead of the £19½ millions for which the smaller sum was interchangeable in the seventies.

"The same falling off has taken place in the gold value of our receipts from other kinds of taxation; the taxpayers' contribution, measured in rupees, increases steadily, but, measured by the standard made use of by the countries with which two-thirds of our business is transacted, the standard in which one-third of our own liabilities has to be met, it has shrunk below the level at which it stood in the seventies; and, if the United States of America were to discontinue their purchases of silver, and a further fall in the gold value of the

rupee were to follow, none of the resources which I have indicated would enable us to meet the catastrophe in which we should for the moment be involved.

"It would not surprise me to find that we are asked, under these circumstances, why we do not take the public into our confidence, and tell them, at least hypothetically, in what manner we believe that we might extricate ourselves from a position of so much anxiety. I must, however, express my entire concurrence in the view of the honourable Financial Member, when he told the Council that it would be idle for us to disclose the nature of the remedies to which we may be driven to resort, until we have been made aware of the decision of the Home authorities in regard to the currency question. It is conceivable that the effect of that decision may be to give early, if not immediate, relief to our finances. Upon the other hand, if that relief is not obtained, the situation will probably not remain as it is. If it is not improved, it will, bad as it now is, probably change for the worse, perhaps a good deal for the worse, and no conjectures which we can make will help us to gauge beforehand the dimensions of the difficulty which might then confront us. That we should, in this event, have to raise large sums by taxation does not admit of a doubt. How large they will be we have no means of judging, and we cannot, therefore, say how they might best be raised. Honourable Members, and the public generally, are perfectly well aware of the sources to which the Government of India is able to look for an increase of revenue; but it would be not only useless but mischievous to discuss projects for new taxation at a moment when we are in ignorance of the amount of revenue which we should require in order to restore financial equilibrium.

"I have only one observation to add upon this subject, which is that, should we find it necessary during the present summer to resort to new taxation in order to meet the deficit, we do not think it would be consistent with our duty to legislate for the purpose at Simla, and we should, therefore, in the event which I have contemplated, not hesitate, if necessary, to call the Council together again at Calcutta for a special session. Whether this course will, or will not, be necessary is absolutely out of our power to determine at the present time.

"With reference to the question of our military expenditure, I need add very little to what has been so well and clearly said by the honourable Military Member. That expenditure has, no doubt, increased during recent years.

"I am, however, far from believing that the increase which has taken place necessarily convicts the military authorities of extravagance. The honourable Military Member was able to show that, here also, the fall in exchange has laid upon us a continually increasing burden. Since 1887-88 the military estimates have been increased by no less a sum than Rx. 360,000 owing to this cause.

"Again, there has, undoubtedly, been a considerable expenditure due to the fact that more regard is paid to the comfort and well-being of our troops than formerly. I have, no doubt, that this money has been well spent, 'well and wisely spent,' as Sir Griffith Evans has said, upon the improvement of the army. We know that great difficulty is found in obtaining suitable recruits owing to the competition of other professions, and, unless we pay, feed, clothe and house our men properly, we shall find it impossible to attract to the ranks the proper class of soldier, either Native or British.

"Besides this, additional expense is constantly imposed upon us owing to alterations in the equipment and armament of the troops. If a new rifle is invented, or a new kind of ammunition adopted for the rest of the army, we cannot refuse to adopt it for the army of India. This is not, I think, entirely due to the influence of the 'enthusiastic soldiers' to whom Sir Griffith Evans referred. I think there are many enthusiastic civilians who would loudly complain of us, if we were to refuse to furnish our soldiers with the most improved arms and equipment.

"Nor must it be forgotten that, of late years, our military liabilities have very greatly increased, partly owing to the near approach of Russia on our western frontiers, partly because, by the annexation of Upper Burma, a great addition has been made both to the British Empire and to that fringe of unsettled country which adjoins our frontier, and within which we are obliged to maintain

some

some kiud of order, not from a desire to interfere gratuitously with those independent tribes of whom Sir Griffith Evans spoke, but for the protection of our settled districts. My honourable friend seemed to be under the impression that, in such cases, we were inclined to take advantage of the high state of preparedness of our army in order to launch our troops upon these fruitless operations. All I can say is that I can testify to the reluctance of the military authorities to allow their regular troops and their transport animals to be used in small bodies in these remote places, and I am under the impression that in the recent operations on the Kachin frontier, which I think my honourable friend must have had in his mind, the columns employed consisted mainly of military police.

"It is no doubt, *primâ facie*, very serious that the 1893-94 estimates should show an increase over the Budget of 1892-93. But the increases of expenditure which have been forced upon us by circumstances which we are absolutely powerless to control, amount to a larger sum than that by which the Military Budget for 1892-93 has been exceeded. The increase in the estimates amounts, excluding expeditions, to 54½ lakhs; the increase in the obligatory expenditure, to which I have referred, exceeds that sum. Of the increase, no less than 24 lakhs are due to the fall in exchange, while 7½ lakhs are due to the rise of prices, and 8 lakhs to fluctuations which may be described as automatic, and which we are quite unable to regulate.

"It is, therefore, beyond our power to prevent the expenditure of 1893–94 from exceeding that of 1892–93, except by insisting upon very large retrenchments, which it would be impossible to carry out suddenly, and which, if they could be carried out, would seriously impair the efficiency of our army.

"Again, it should be remembered that, out of the total of Rx. 15,700,000 shown in the military estimates for 1893-94, about Rx. 12,000,000 are for the pay, food, and pensions of the army. Large economies in military expenditure can, I believe, only be effected by cutting down the numbers of the army, or by diminishing its pay, or by depleting our reserves of stores. A diminution of the pay of the army is out of the question. We shall be fortunate if we are not compelled to increase it before we are much older. I should be sorry to be a party to the depletion of our reserves of stores, and I trust that such a course will never find favour. It seems to follow that, if India is unable to bear the present military expenditure, we shall have to consider whether the strength of the army is greater than is absolutely necessary for the safety of the country. I for one am not prepared to admit this.

"I therefore greatly doubt whether we shall find it possible to make large reductions in our military expenditure, although we must do all in our power to resist further attempts to increase it. Two years hence our special defences will, as I said just now, it is to be hoped, be completed, and our military expenditure thereby reduced by some 50 lakhs per annum. We shall spare no pains to economise in other directions, but I wish to avoid holding out expectations which we may be unable to fulfil. I can, however, assure the Council that the Government of India desires, as earnestly as Sir Griffith Evans does, to avoid a recurrence of exceptional expenditure on expeditions, or on any other military objects the necessity of which is any degree open to question.

"There is one other matter as to which I must add a few words. It is that to which reference has been made by the honourable Mr. Stevens and the honourable Dr. Lethbridge. I am not at all surprised that they should have mentioned it, or that they should have reminded the Council of the grievous hardship to which European officers in the services of the Government of India have lately been subjected owing to the rapid fall of exchange which has taken place during the last two years. Nor have I any complaint to make of the honourable Mr. Stevens's account of what passed when, at the end of January, I had the honour of receiving, at Government House, a deputation from the Services. I then stated that the Secretary of State had left us in no doubt as to the sympathy with which Her Majesty's Government regarded their case. I said that we could not expect the sufferers to tolerate, for an indefinite period, the distress which they had borne with so much self-command for some time past, and I expressed my hope that the time was approaching when we should be able to meet, in a just and reasonable manner, the claims which the deputation had urged upon me. When I uttered these words, I certainly expected

that, by the time the Budget Statement would be made, the suspense to which I referred would have been terminated, and I looked forward to including in our financial arrangements for the coming year suitable provision, either of a temporary or permanent character, to meet the case of the Services. I feel no doubt that those expectations were shared by our officers, and that it was generally, and I must say not unreasonably, anticipated that the Budget Statement would contain some specific engagement as to their case. If no provision has been made by my honourable friend, I trust that the omission will not be regarded as an indication that we desire to shirk the question, or to postpone its consideration for a day longer than we can help. As a matter of fact, the Government of India has, since the deputation was received, submitted to the Secretary of State specific proposals with this object, and suggested to him that provision for meeting those proposals should be made in the Budget.

"I have been authorised by His Lordship to make public in his own words the reasons for which he has found it impossible to sanction the necessary provision being made in the Budget. He telegraphed to us on the 7th of March as follows:—

> "'I greatly regret losses fallen on European officers, and am prepared to give consideration to any measures suggested by you for remedying grievances which you represent, but it is impossible to determine what measures should be taken, apart from the questions now before me with respect to the currency, decision upon which cannot be much longer delayed, but which cannot be expected before the Budget.'

"That is how the case of the Services stands, and I think it will be evident to honourable Members that it is beyond our power, for the present, to do more than has been already done."

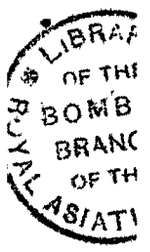
The Council adjourned *sine die*.

J. M. Macpherson,
Officiating Secretary to the Government of India,
Legislative Department.

Calcutta, 4 April 1893.

RETURN.

EAST INDIA
(Financial Statement).



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EAST INDIA (FINANCIAL STATEMENT).

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"COPY of the EAST INDIA FINANCIAL STATEMENT for 1894-5, and of the PROCEEDINGS thereon in the LEGISLATIVE COUNCIL of INDIA."

India Office,
26 April 1894.

ARTHUR GODLEY,
Under Secretary of State for India.

(*Mr. Buchanan.*)

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92.

GOVERNMENT OF INDIA.—FINANCE AND COMMERCE DEPARTMENT.

FINANCIAL STATEMENT FOR 1894-95.

CONTENTS.

PART I.

GENERAL REVIEW.

	PARA.	PAGE.
Preliminary	1	5
Accounts, 1892-93	3	„
Revised Estimate, 1893-94	5	„
Budget Estimate, 1894-95	15	7
Special Measures to meet the Deficit	25	9
Closing of the Mints	32	10
Secretary of State's Operations	43	12
Loans in India	48	14
Conclusion	50	„

PART II.

DETAILS OF ACCOUNTS AND ESTIMATES.

	PARA.	PAGE.
I. Accounts of 1892-93	51	14
II. Revised Estimate of 1893-94	58	16
III. Budget Estimate of 1894-95	94	22
IV. Examination of the Estimates under the more important heads of Revenue and Expenditure—		
Land Revenue	134	30
Opium	135	31
Salt	139	32
Stamps	141	„
Excise	142	33
Provincial Rates	143	„
Customs	144	34
Assessed Taxes	146	„
Forest	147	35
Interest	149	„
Post Office, Telegraph, and Mint	151	36
Civil Departments	153	„
Miscellaneous Civil Charges	154	37
Famine Relief and Insurance	158	38
Railway Revenue Account	160	39
Irrigation	165	40
Buildings and Roads	168	42
Army Services	169	43
Special Defence Works	170	44

	PARA.	PAGE
V. Capital Expenditure on Public Works not charged against Revenue	173	44
48. State Railways, Construction	174	45
49. Irrigation	178	47
VI. Ways and Means—		
Home Treasury	179	„
India	187	49
VII. Summary	196	51

APPENDIX I.

ACCOUNTS AND ESTIMATES:

	PAGE.
General Statement of the Accounts and Estimates of the Revenue and Expenditure and Receipts and Disbursements of the Government of India, in India and in England	54
A.—Statement of the Revenue of India, in India and in England	56
B.—Statement of the Expenditure chargeable on the Revenues of India, in India and in England	58
C.—Statement of Receipts and Disbursements of the Government of India, in India and in England	62
D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Contracts	64
E.—Statement of Net Revenue and Expenditure—India and England	66

APPENDIX II.

Commercial and Financial Statistics	68
Guaranteed Railway Companies: Financial Results	75
Capital Expenditure on State Railways	76
„ „ „ Irrigation Works	78
Receipts and Working Expenses of Railways	80
„ „ „ Irrigation Works	82
Capital Account of Guaranteed and Subsidised Railways	84

PROCEEDINGS of COUNCIL, 27 March 1894.

Discussion of the Financial Statement	85

FINANCIAL STATEMENT FOR 1894–95.

PART I.

GENERAL REVIEW.

PRELIMINARY.

IN accordance with the Statutory Rules for the discussion of the Financial Statement of the Governor General in Council, I have caused a printed copy of the Financial Statement of 1894–95 to be delivered to each Member; and I proceed to submit to the Council the explanations I desire to offer with reference to it. Following the example set last year by Sir David Barbour, the prescribed Financial Statement will form the Second Part of the published compilation, and will set forth and explain in detail the various figures of the receipts and outgoings of the Government, being intended both for the information of the public, and as a permanent official record of the financial arrangements and prospects of the current and the approaching year. My accompanying explanation, which will form the first part of the compilation, is intended to give honourable Members a more general view of the accounts and estimates, leaving fuller information regarding the details to be sought for in the more elaborate compilation, which has been printed and distributed in accordance with the rules.

2. I have so recently had occasion to lay before honourable Members a review of our recent and present general financial position that I am to a certain extent discharged from the obligation to look on this occasion beyond the figures of the three years, the finance of which I have to explain, viz., the past year, the current year, and the coming year. I do not think that any Finance Minister has yet had the evil fortune to present figures which for all three years show a deficit of Revenue, but I shall not waste the time of the Council in again going over the ground covered by the statement I laid before them three weeks ago, and bemoaning the adverse fate which a continually dwindling Rupee imposes upon us. I pass at once to the consideration of the accounts and estimates which it is my duty to explain.

ACCOUNTS, 1892–93.

3. The accounts of 1892–93, as finally made up, show a deficit of Rx. 833,412, as compared with the deficit in the Revised Estimate of Rx. 1,081,900. The improvement, which amounts to Rx. 248,488, is composed of a number of small differences scattered over both the Revenue and Expenditure heads, none of which are large enough to require particular mention. In short, the Revised Estimate presented to the Council twelve months ago represented as accurately as an estimate could be expected to do the outturn of the year. The accounts were made up at an exchange a little less than 1*s.* 3*d.* per rupee; the total amount of Council Bills drawn during the year being 16,532,215*l.* at the average rate of 1*s.* 2·985*d.*

4. The usual Appropriation Report, containing the Comptroller and Auditor General's review and comparison of the estimates and accounts of the year, was published in last week's "Gazette of India;" and with it the year's accounts are consigned to past history.

REVISED ESTIMATES, 1893–94.

5. As compared with the Revised Estimates for 1892–93, which we have seen were very accurately justified by the final figures, the Budget Estimate of 1893–94 provided under Revenue heads for better Land Revenue Rx. 299,600, worse Opium Revenue Rx. 650,300, worse Salt Revenue Rx. 60,800, better Railway Revenue.

	+ 299,600
	— 650,300
	— 60,800
	+ 487,500
Net	+ 76,000

Revenue Rx. 487,500, and a number of minor differences. In the aggregate the difference was a difference for the worse of Rx. 15,500.

6. The Revised Estimates of 1893–94 show that we have had a very favourable Land Revenue year, even after taking into account the fact that Rx. 207,200 of the increase comes in, in Madras and Bombay, by deduction from, or charge to, other heads. The return is about 25½ crores, whereas we have never yet come up to 25, and is Rx. 335,100 in excess of Budget. But on the other hand, the loss of Opium Revenue is by Rx. 621,800 greater than anticipated, and whereas the lowest figure recorded for many years has been Rx. 7,879,182, we this year estimate to receive only Rx. 6,694,400. The loss under Salt Revenue has been much greater than anticipated, being Rx. 241,600 as compared with Budget Estimates. On the other principal Revenue heads taken together there has been a gain as compared with Budget of Rx. 252,000. Railways have done extremely well during the year, the Revenue being taken at Rx. 654,800 better than Budget, and more than a crore better than last year.

+ 335,100
— 621,800
— 241,600
+ 252,000
+ 654,800
Net + 378,500

7. These differences and a number of minor ones give us a net improvement of Rx. 423,800 upon the Budget Estimates on the Revenue side,* of which Rx. 104,900 goes to Provincial account, leaving Rx. 318,900 for Imperial.

+ 1,595,100
— 318,900
+ 1,276,200

8. The Budget Estimates of the year were for a deficit of Rx. 1,595,100 upon the year's account. With the improvement of Revenue which I have noticed, our Expenditure if kept within estimate would have brought out at the end of the year a deficit of only Rx. 1,276,200. Our deficit, however, stands at Rx. 1,792,800, or Rx. 516,600 greater than this figure. And indeed, as a short opium crop has saved us Rx. 370,100 on our estimated opium payments, I have really to explain Rx. 886,700 of excess of Expenditure over Estimate in 1893-94.

9. The only heads of Imperial Expenditure in India which show any noteworthy excess of Expenditure over Estimate are Interest on Debt (Rx. 159,500), Working Expenses of State Railways (Rx. 151,500), and the Army Expenditure (Rx. 318,300). The excess under the first represents for the most part the discount on the Loan raised in August, which amounted to Rx. 133,000. The excess Expenditure under the second arises in connection with the larger traffic already referred to. Of the Army Expenditure Rx. 263,500 is due to Exchange Compensation Allowances: there has also been expenditure in excess of the Budget Grants of Rx. 21,500 for certain special military and political operations, of Rx. 48,100 for special expenditure in connection with the Gilgit Agency, and Rx. 26,700 for special purchases of horses and mules: on the other hand, savings are anticipated from some of the Budget Grants.

+ 159,500
+ 151,500
+ 318,300
+ 629,300
— 89,000
+ 540,300

We have saved Rx. 89,000 by short Expenditure upon Special Defences.

10. The items I have mentioned account for excess Imperial Expenditure in India of Rx. 540,300. The smaller differences result in a net saving of Rx. 26,600, and the real excess in the total figures, after allowing for Opium, is Rx. 513,700. So that we have saved more than enough, in minor differences over the rest of the account, to pay for the Exchange Compensation Allowances to non-military officers. These were not included in the Budget, but are estimated at Rx. 137,800 under the non-military heads.

+ 104,100
+ 27,300
— 66,000
et + 65,400

11. The sterling expenditure account compared with Budget Estimate shows 104,100*l.* excess payments under Interest; excess marine charges 27,300*l.*; short charges for special defence works 66,000*l.*; giving; with a few smaller differences, a net excess of 65,800*l.*

12. The exchange upon the expenditure was estimated, at 1*s.* 2$\frac{3}{4}$*d.*, to cost Rx. 9,935,900; it is now estimated at Rx. 307,200 more.

13. Adding

* I neglect for present purposes the fact that about Rx. 30,000 of this is due to the operation in 1893-94 of the New Tariff Act.

13. Adding together these items, the deterioration which I have explained on the expenditure side amounts to the figure above stated, namely:—

	Rx.
Imperial Expenditure in India - - - - -	513,700
Sterling Expenditure - - - - - -	65,800
Exchange - - - - - - - - -	307,200
TOTAL - - -	886,700

and leaves the year's account in deficit by Rx. 1,792,800.

14. I ought to mention, as a matter of some public interest in connection with the estimates of 1893-94, that the Royal Commission on Opium is expected to cost in India about Rx. 20,000, and in England about 1,500*l.*; of these amounts half will be charged to Indian Revenues. The smallness of the expenditure is for the most part due to the fact that the Commissioners (except the one who was placed on the Commission as an officer of the Government of India) neither required nor received any remuneration for their services, being determined that their laborious task should cost as little as possible to the people of India.

BUDGET ESTIMATES, 1894–95.

15. In explaining the Budget Estimates for 1894–95, I ask the Council first to go back to my statement that the Revenue in the Revised Estimates of 1893-94 falls short of the Budgeted Expenditure of that year by Rx. 1,276,200. Our revenue of the coming year is largely estimated upon the basis of the Revised Estimates of the current year, and I propose first to show, as compared with those Revised Estimates, what additional Revenue under the same heads we may expect to come into our account during the year 1894–95.

16. First, under the principal Revenue heads, the Estimates of Land Revenue show an increase of Rx. 211,300 upon the high figures of 1893–94; and Salt will, we hope, recover from its backward position of the current year, and bring us in an addition of Rx. 283,000. Under both these heads in fact we have some reason to think that certain short collections of February and March 1894 will come into the accounts of April or May, that is of 1894–95. On the other hand, we do not think it safe to take Opium at even the figure of 1893–94; our realisations are necessarily affected by the adverse exchange arising out of the low price of silver, and we estimate a falling-off of Rx. 300,800. The remaining principal heads show some increases and some decreases, but on the net account a decrease of Rx. 1,600, giving for this section of the accounts a net increase of Rx. 191,900. To this we have to add the estimated increase in Railways of Rx. 201,900, and in Irrigation of Rx. 144,200; but, on the other hand, we lose Rx. 160,400 under Mint Receipts (by reason of discontinuance of coinage). The net amount of all these is an increase of Rx. 377,600, which, by a number of minor differences under other heads, becomes Rx. 395,400. Of this total amount of increase of our revenues, Rx. 240,300 belongs to the Provincial account, and Rx. 155,100 to Imperial. In respect of Revenue, therefore, we expect on the Imperial account to be better off in the approaching year by only Rx. 155,100, as compared with the Revised Estimates of 1893–94; and the result therefore is that, if we had on our expenditure side merely to meet the same Imperial expenditure that was provided for in the Budget of last year, we would be, with the revenue we anticipate, in deficit by Rx. 1,276,200, less Rx. 155,100, or Rx. 1,121,100.

	+ 211,300
	+ 283,000
	— 300,800
	— 1,600
Net	+ 191,900
	+ 191,900
	+ 201,900
	+ 144,200
	— 160,400
	+ 377,600

17. The deficit we will actually have to meet will be this amount plus any amount by which the expenditure for which we have to provide in the coming year exceeds that of the Budget Estimates of 1893–94. To find what this addition

addition will be, take first the estimate of Imperial expenditure in India. The figures stand as follows :—

	Budget, 1893 94.	Budget, 1894 95.	Increase or Decease.
	Rx.	Rx.	Rx.
Direct charges on Revenue	4,614,200	4,662,300	48,100
Interest	55,400	— 113,400	— 168,800
Post Office, &c.	2,081,400	2,073,200	— 8,200
Civil Departments	3,134,500	3,240,100	105,600
Miscellaneous	688,400	700,000	11,600
Famine	1,119,300	1,121,200	1,900
Railway Revenue Account	11,597,400	12,061,100	463,700
Irrigation	1,349,300	1,373,200	23,900
Building and Roads	1,878,500	1,507,800	— 370,700
Army	15,693,500	16 169,200	475,700
Special Defence	252,300	113,500	— 138,800
TOTAL	42,464,200	43,908,200	+ 444,000

+ 463,700
— 168,800
+ 294,900

+ 28,500
± 139,800
+ 41,600
— 26,900
— 77,400
Net + 105,600

18. The increases and decreases in this statement, which are less than Rx. 50,000, require no remark ; they may be described as ordinary variations. The decrease under Interest merely means the transfer of more interest to the Railway Revenue account, the net increase under these two heads, Rx. 294,900, representing the additional working expenses and surplus-profits payments arising in connection with the larger traffic. Under Civil Departments we have a net increase of Rx. 105,600, of which the principal items are Rx. 28,500 under Administration (mostly Exchange Compensation allowance), Rx. 139,800 under Political (additional subsidy to the Amir Rx. 60,000, probable expenditure of demarcation under the treaty Rx. 50,000, Exchange Compensation Rx. 23,400) ; other increases Rx. 41,600, mostly due to the Exchange Compensation ; savings in Police Rx. 26,900 (chiefly in Upper Burma) ; and savings under Marine Rx 77,400 (mostly counterbalanced by short receipts).

19. The decrease of Rx. 370,700 under Buildings and Roads is due to economies forced upon us by our present financial condition. We have saved Rx. 194,200 by reducing the grant for Military Works, and Rx. 176,500 by cutting out practically every new work upon the Civil side (under India General and in Upper Burma) to which we are not absolutely committed.

20. The Army expenditure shows, as compared with the estimates presented last year, an increase of Rx. 475,700. Of this amount, the variations in pay and allowances which depend upon Exchange, alone account for Rx. 390,100.

For, apart from the question of Exchange Compensation, the pay of the British Soldier is fixed in sterling, and the Rupee payment depends upon the rate of exchange annually fixed for the adjustment of transactions with the English Treasury. That rate was for 1894–95 fixed, as usual, upon the basis of the rates actually current in December last (namely, 15¼*d.*) ; but, owing to the peculiar circumstances of the year, the rate has been declared "subject to revision hereafter, should it be deemed necessary in consequence of the actual rate varying greatly from the official rate for any considerable length of time."

The balance of the excess, or Rx. 85,600, is composed of several items, of which a fuller account is given in the second part of this statement.

21. The English expenditure for which we have to provide is, on the whole account, 13,500*l.* less than that of last year. We have an increase on account of interest of 288,500*l.*, owing chiefly to the temporary borrowings of which I shall

shall have presently to give an account; on the other hand, there are savings of 33,300*l.* on the Marine charges (as last year's estimates contained some special construction charges); of 12,600*l.* under Territorial Pensions (due to the death of Maharaja Dhulip Singh); of 69,700*l.* under Army charges (a balance between a large saving in Military stores and an increase in non-effective charges); and of 152,100*l.* under Special Defence Works, the expenditure on which is coming to an end.

	£.
+	288,500
—	33,300
—	12,600
—	69,700
—	152,100
—	34,300
Total—	302,000
Net —	13,500

The other differences are small, and involve a net decrease of 34,300*l.*

22. The Exchange upon our expenditure was in last year's Budget taken at 14$\frac{3}{4}$*d.*, and came to Rx. 9,935,900. This year we take 14*d.* as our rate, and the Exchange comes to Rx. 11,307,400*l.*, so that we have an excess expenditure to provide for of Rx. 1,371,500*l.*

23. Now, bringing all these increases of expenditure together, we have, as compared with Budget expenditure of 1893–94—

	Rx.
In India—Imperial account—increase - - -	444,000
In England, decrease - - - - - -	—13,500
For Exchange, increase - - - - -	1,371,500
Net Increase -	1,802,000

24. I have shown that our estimated revenue of 1894–95 falls short of the Budget expenditure of 1893–94 by Rx. 1,121,100; it therefore falls short of our budgeted expenditure of 1894–95 (so far as we have gone) by Rx. 2,923,100.

The difference between this and the 3$\frac{1}{2}$ crores I gave in my Statement of March 1st is mainly in the reductions we have effected, chiefly under Buildings and Roads, both Military and Civil, in order to meet the shortness of our means.

SPECIAL MEASURES TO MEET THE DEFICIT.

25. This amount then, Rx. 2,923,100, is the deficit which we have to take special measures to meet. The first of these special measures is the re-imposition of Import Duties, for which the Council passed a Bill on March 10th. The annual revenue to be obtained by that measure I then stated at Rx. 1,400,000, but the measure was modified in Select Committee by the reduction of the first-proposed duties on iron and steel, and I now put down the revenue at Rx. 1,350,000. I make a deduction of a little over 10 per cent. for short collections the first year, and the actual figures passed into the estimates on account of the duties are—

	Rx.
Revenue (after deduction of Refunds) - - -	1,200,000
Establishment - - - - - - - -	60,000
Net Produce - -	1,140,000

26. The next measure is that we are obliged to suspend the famine grant for the time. This is, as has been often explained, the grant of surplus revenue to the construction of Protective Railways and Irrigation Works. Part of the original Rx. 1,500,000 is already pledged, that is, it is used to meet the loss to Government on its contracts in respect of the Bengal-Nagpur and Indian Midland Railways. That loss, in the coming year, is estimated at Rx. 368,800, and there is also an estimate of Rx. 10,000 for actual famine charges; so that of the whole grant only Rx. 1,121,200 is capable of being resumed, or rather withheld. We have deemed it expedient to allow Rx. 45,000 on account of certain Irrigation works to remain charged against this head, but the remaining Rx. 1,076,200 will remain unspent in 1894–95. The principal railway work which is being charged to this head at present is the East Coast Railway. And, as this work is classed also as a productive work, a considerable grant has been given to it, under the head of expenditure not charged against revenue, so that

this particular work will not very greatly suffer by the suspension of the grant. But this only means that the effect of the reduction is passed on to other railway projects.

27. One other measure we have been obliged to take, namely, to call on Provincial Governments for contributions to our aid, in other words to force upon them severe economies, and appropriate the results to the benefit of our own account. The Government of India were most unwilling to have recourse to a measure which practically means the stoppage for the time of all administrative improvement, a measure which they feel must take all the heart out of Provincial Governments, by making them surrender all the fruits of careful administration to fill the yawning gulf of our sterling payments. But, as the Government of India said in addressing its demand to them, "the imperious necessity for imposing new taxation obliges the Government of India first to exhaust all available methods of increasing their resources; and this necessity is the only justification they can put forward for so soon making a practical revision of 'contracts' made only two years ago, and calling in balances which the Local Government might legitimately claim as pledged to them for the purpose of administrative improvement."

28. The Government of India wish to acknowledge the readiness with which this demand has been met. The demand was issued on March 1st; it had been complied with by March 12th. Though not very large in amount, except in one case (that of Lower Burma), the demand comes so closely after the adjustment of assigned revenue to assigned expenditure, that it means in every case the adoption of active measures to restrict expenditure; and it must be remembered also that it comes after the Local Governments have already had, in the Exchange Compensation allowances, to meet new expenditure over and above their assignments.

29. The total amounts obtained from the Local Governments come to Rx. 405,000, their balances being, in nearly every case, reduced by the demand to the minimum prescribed by the Secretary of State.

30. By these three measures the deficit in our account is reduced by Rx. 2,621,200, namely:—

	Rx.
New Import Duties, net produce - - - -	1,140,000
Suspension of Famine Grant - - - - -	1,076,200
Contributions from Local Governments - - -	405,000
	2,621,200

from Rx. 2,923,100 to Rx. 301,900, at which figure it stands in the final statements.

31. I have already in my statement made in this place on March 10th given a full account of the reasons which have led to the Government accepting this deficit for the year 1894–95. I shall not weary the Council by a repetition of a subject then very elaborately discussed.

CLOSING OF THE MINTS.

32. The central fact of the Financial History of the year was the closing of the Mints on 26th June last. When the last Budget Estimates were presented to this Council, the Government of India were waiting for the Report of the Committee assembled under Lord Herschell's Presidency, to whom had been committed the examination of the Currency proposals of the Government of India. The Committee reported under date May 31st. Their recommendation was as follows:—

> "It remains for us to state the conclusions at which we have arrived. While conscious of the gravity of the suggestion, we cannot, in view of the serious evils which which the Government of India may at any time be confronted if matters are left as they are, advise your Lordship to overrule the proposals for the closing of the Mints and the adoption of a gold standard, which that Government, with their responsibility and deep interest in the success of the measures suggested, have submitted to you.

"But

"But we consider that the following modifications of these proposals are advisable. The closing of the Mints against the free coinage of silver should be accompanied by an announcement that, though closed to the public, they will be used by Government for the coinage of rupees in exchange for gold at a ratio to be then fixed, say 1*s.* 4*d.* per rupee; and that at the Government treasuries gold will be received in satisfaction of public dues at the same ratio."

33. The Government of India, having considered the Report, telegraphed to the Secretary of State on June 15th, proposing to take immediate action on this decision; the Secretary of State's consent was given on June 20th; and the necessary legislation was carried through on June 26th.

34. It was, of course, expected that the value of silver would be immediately affected by this change. It stood at about 38*d.* till June 25th, and then in four days it fell to 30¼*d.* In July it recovered in the first week to 34*d.*, but settled afterwards at about 32½*d.* In August and September it stood at about 34*d.*, but it fell during October, and its price from then till the middle of January stood at about 32*d.* After this, a renewed fall set in, and in the first week of March the price was quoted at 27*d.*; at that price the metallic value of the rupee is about 10¼*d.*

35. Meantime, Silver legislation was taking place in the United States of America. Congress met on August 7th, and a Bill for the repeal of the silver purchase clause of the Law of 1890 was speedily introduced and was passed on August 28th by an unexpected majority. The Bill remained under discussion in the Senate from August 28th till October 30th, when it was passed after a strong opposition. It received the President's signature on November 1st. But it will be seen from my statement of the history of the price of silver that the legislation of the United States was practically a foregone conclusion. Its effect had been discounted, and the final passing of the law produced but little change in the price. The doubtful element in the case was the Indian legislation, and, when that legislation became an accomplished fact, the price of silver immediately assumed a lower level.

36 During the months succeeding the closing of the Mints the price was favourably affected by a strong demand from India. The amounts imported into India during these months were Rx. 2,019,100, Rx. 781,400, Rx. 858,400, Rx. 1,127,400, Rx. 450,400, Rx. 926,600, Rx. 1,658,400, and in February Rx. 1,167,800. Total Rx. 8,989,500.

37. We have naturally been very much interested in the question what became in this country of these large imports of silver, but our inquiries have satisfied us that there has really been a very large demand for it for private use and possibly also for hoarding. The divorce between the value of coined and of uncoined silver brought about a state of things utterly unknown in Indian history—in the experience at least of any of the present generation—viz., that uncoined silver could be sold at a profit for considerably less than its weight in coined silver. Silver dealers rushed in to make a profit out of the inability of the ordinary Indian to understand that it was not necessarily a profitable transaction to buy a tola of rupee silver for 15 annas. The question was violently agitated of imposing a silver import duty, so as to prevent a demand for silver that threatened to annihilate, by its own force, that balance of trade which had hitherto required settlement by Council Bills. But it was recognised that this demand for silver would have to be exhausted before our new Currency policy could have a fair chance, and it was determined to leave it to the operation of natural causes. The announcement was made upon January 18th that no duty would be placed on imported silver in aid of the Currency policy.

38. A certain amount of this silver, but not, so far as we can find, a very large amount, passed into Native States for use in coinage. It was easy to foresee that, by the closing of our Mints, our rupees would be appreciated with reference to the silver coinage of Native States, especially if measures were not adopted in these States to restrict their coinage in a corresponding measure. We advised the various Durbars to watch the current rate of exchange between their rupees and the Government rupee, and most of them stopped coinage

very shortly after we had done it. The Native States are not, however, so favourably situated as we are with reference to the maintenance of an appreciated coinage; for their rupees can, in most cases, be manufactured without elaborate machinery, and so far as we know (though we have not yet full information on the point) the local systems of currency are in very few cases strictly limited, like our own, to coin issued by the State in which it is current. We are, however, continuing to watch the effect of our policy upon the coin of Native States, and to advise them, from time to time, as to the economic effect of measures taken by ourselves or intended by them.

39. This excessive import of silver was not the only obstacle which our Currency measures had to meet with. We had been obliged, for reasons for which we were not responsible, to initiate these measures at the most unfavourable time of the year, namely, the beginning of the slack season—that is, the season when our exports are smallest; and the refusal of the Secretary of State to issue his Bills under 15$\frac{1}{4}$*d.* brought other importers into competition besides the importers of silver, and the balance of trade on the whole actually turned against India for a time. I think it is now recognised that the policy of refusing to issue Bills was a mistaken policy, and that it would have been better to issue Bills moderately so as to meet the demands on the Home Treasury. But the circumstances we had created were altogether new, and both officials and merchants and bankers had all to learn, by actual experience, what new economic forces had been called into existence, and how they affected the question of the appreciation of the rupee. The Secretary of State announced, on January 20th, his abandonment of his attempt to maintain a forced value for his Bills, and since then the course of commerce has given us ground for expecting that we shall be able to maintain the rupee at a value considerably above its metallic value, though not as yet approaching the limit at which there is any chance of its functions as a Currency beginning to be replaced by gold.

40. The first considerable issue of Council Bills was on 31st January, when a rate of 14$\frac{3}{8}$*d.* was obtained. The rate fell, till on the 26th February it stood at 13$\frac{1}{2}$*d.*, but it has since then recovered to about 14*d.*

41. The question of the future value of silver is so doubtful that I hesitate to express any opinion regarding it. We are told that it has now touched bottom, but we have been told that very often in past times, and yet it has sunk lower. I do not agree with those who think that if we were to open our mints we would benefit by enhancing the value of silver. It should be remembered that we can enhance that value only by actually absorbing a considerable share of the world's produce of the metal. But the absorption and coinage of a large amount of silver is an effect that can only follow, and be concomitant with, a fall in the value of the rupee. It is, in fact, economically, the effort of the currency of the country to adapt itself, by increase in volume, to its decrease in value. In other words, if the opening of our mints is to enhance the value of silver, it can do so only by a process which involves the depreciation of the value of the rupee; and, therefore, as it seems to me, no enhancement of the value of silver, brought about by our opening our mints, can be of any advantage to us.

42. I think that even those who do not believe in the ultimate success of our currency legislation must, at all events, admit that we have, by its means, escaped an immediate disaster; and those who believe that the only way of issue from the difficulty lies through bimetallism, will admit that they are several steps nearer its realisation when the rest of the world has ceased to rely on India's consent to bear the main portion of the burden of silver depreciation.

SECRETARY OF STATE'S OPERATIONS.

43. By the circumstances to which I have alluded, the sale of Council Bills was practically in suspense from July 1893 to January 1894, inclusive. The Secretary of State had estimated to raise 18,700,000*l.* by Bills, of which 1,189,200*l.* was the estimated amount of net payments to railway companies, the remainder representing the current requirements of the year. During the first

first three months of the year he issued Bills for 5,722,799*l.*, an unusually large amount, which raised his sterling balance on June 30th to 4,173,925*l.*; but from that date till the end of January the amounts received were, in each of the seven months, 51,750*l.*, 78,250*l.*, 6,672*l.*, 4,791*l.*, 609,544*l.* (in November), 20,937*l.*, 90,658*l.*, giving a total of only 862,602*l.*

44. During this period, therefore, the Secretary of State had to carry on his transactions by borrowing. The high balance of June 30th carried him over July and August, and besides this balance he had at that time over 400,000*l.* in hand on account of a borrowing and repaying transaction provided for in the Budget Estimates. He had estimated to raise 1,300,000*l.* of three per cent. stock to pay off railway debentures, and, though he raised most of this amount in July, the repayments were not complete till October. His cash balance, however, was very low in the end of August, namely, 460,903*l.* In September he issued 3½ per cent. debentures for 1,386,000*l.*, and borrowed temporarily 500,000*l.*; and the net temporary borrowings in subsequent months were, October, 1,500,000*l.*; November, 750,000*l.*; December, 750,000*l.*; January, 2,750,000*l.*, giving a total of 6,250,000*l.*

25,000*l.* of this came into October.

45. The figures as made up on actual accounts till the end of January, and estimates received from the Secretary of State for the two last months, give us—

	Till January: Accounts.	February and March Accounts and Estimates.	Total for Year.
Funds raised by Permanent Debt - -	1,386,000	- - -	1,386,000
Council Bills - - - - - -	6,585,400	2,814,600	9,400,000
Temporary Borrowing (net) - - -	6,250,000	— 250,000	6,000,000
	14,221,400	2,564,600	16,786,000

It will be seen, therefore, that the Estimate of Council Bills now made falls short by 9,300,000*l.* of the Estimate of last March, and that this amount has been made up by permanent debt, 1,386,000*l.*; temporary debt, 6,000,000*l.*; a reduction in the cash balance of 1,013,000*l.*; total, 8,399,000*l.*; besides reductions in the payments to railway companies, and on account of remittances.

46. We have, *per contra*, an enormous accumulation of silver in our Treasury balances in this country. The 8,399,000*l.* of debt incurred, and cash balance reduced, during the year, are represented, at an exchange of 15*d.*, by Rx. 13,438,400 in this country, and our cash balances in India being practically increased by this amount stand at the close of January, February, and March, at the unprecedented figures of Rx. 23,802,200, Rx. 25,016,500, and Rx. 26,251,800 (estimated).

47. Next year, it will be seen that it is not the present intention of the Secretary of State to draw Bills on our accumulations of silver in order to pay off his temporary debt. He proposes to borrow 8,300,000*l.*, of which 6,000,000*l.* will be used to discharge the temporary obligations outstanding at the end of the current year; and the rest is required for his ordinary transactions. The amount for which he proposes to draw, 17,000,000*l.*, is only the expenditure of the year, with the addition of the capital outlay on account of State Railways, and a portion of his remittance payments. It must, as

usual, be understood that these figures are given with reservation of entire liberty to the Secretary of State to vary his borrowings and his drawings as he may find occasion.

LOANS IN INDIA.

48. In the Budget Estimates of 1893-94, we proposed to raise a loan of Rx. 3,000,000. On 14th July, while we were still in ignorance of the approaching failure of Council Bills, a notification was issued calling for tenders for Rx. 3,500,000 at 3½ per cent., and at the same time notice was issued for the discharge of such part of the 4½ per cent. loans of 1878 and 1879 (excluding the 7*s.* per cent. portion) as still remained unconverted, under previous notifications, into four per cents. The loan was raised at an average of Rs. 96. 3. 2½ per cent., producing Rx. 3,366,130, against a nominal value of Rx. 3,499,100 (as Rx. 900 remained unissued). Of the 4½ per cent. loan we estimate to have paid off Rx. 1,100,000 during the current year, leaving Rx. 241,447 undischarged. The 3½ per cents. are now above par.

49. It is hardly necessary to say that with our huge silver balances we have no intention of raising a loan in India during the year for which estimates are now being presented.

CONCLUSION.

50. Such then is our programme for the approaching year—a programme of retrenchment and vigilance, intended to tide us over what I have called a transition period. The means which we have adopted in our Budget Estimates of nearly balancing our Revenue and Expenditure, are means which will hardly be available a second time. It is at some risk that we suspend even for one year the provision of a crore or a crore and a-half, which we shall certainly require if a famine season comes upon us; we cannot call our financial position safe till we find ourselves again with that crore to the good. The 40 lakhs also which we obtain from the Provincial Governments exhausts for the time that source of relief from temporary difficulties. A year hence, as I said a fortnight ago, we shall certainly have to reconsider our position, and we hope by that time to have a much more definite knowledge of the conditions upon which our future financial position rests.

PART II.

DETAILS OF ACCOUNTS AND ESTIMATES.

SECTION I.—ACCOUNTS OF 1892-93.

51. The Revised Estimates for the year 1892-93 showed a deficit of Rx. 1,081,900. As anticipated by Sir D. Barbour in paragraph 18 of the Financial Statement of March last, I am now able to state that the actual deficit is somewhat less. The final Accounts have been closed with a deficit of Rx. 833,412.

52. Explanations of the variations under the several heads of the Account figures from those of the Budget and Revised Estimates will be found in the Appropriation Report published in the "Gazette of India" of the 17th instant.

The

The following statement contains a general comparison of the Revised Estimates with the Accounts of the year:—

	Revised Estimate.	Accounts.	Accounts, better.	Accounts, worse.
REVENUE.				
India - - - - - - Rx.	89,683,000	89,819,707	136,707	—
England - - - - - - £.	211,400	220,233	8,833	—
Exchange - - - - - - Rx.	126,800	132,498	5,698	—
TOTAL - - - Rx.	90,021,200	90,172,438	151,238	—
EXPENDITURE.				
India:				
Imperial, Provincial, and Local, Rx.	64,965,100	65,021,394	—	56,294
Adjustment of Provincial and Local Surplus or Deficit - Rx.	—363,800	—177,359	—	186,441
NET - - - Rx.	64,601,300	64,844,035	—	242,735
England - - - - - - £.	16,563,600	16,334,541	229,059	—
Exchange - - - - - - Rx.	9,938,200	9,827,274	110,926	—
TOTAL - - - Rx.	91,103,100	91,005,850	97,250	—
DEFICIT - - Rx.	1,081,900	833,412	248,488	—

1892-93. General Results.

53. The total Revenue and total Expenditure in India were higher than taken in the Revised Estimate by Rx. 136,707 and Rx. 56,294, respectively, giving a net improvement of Rx. 80,413. The distribution of these variations between Provincial and Imperial was as follows:—The Imperial Revenue fell short of the Revised Estimate by Rx. 19,678, and the Imperial Expenditure exceeded the Revised Estimate by Rx. 86,350, while the Provincial and Local Revenue exceeded the Revised Estimate by Rx. 156,385, and the Provincial and Local Expenditure fell short of the Revised Estimate by Rx. 30,056. Consequently there was an improvement in the Provincial and Local Section of the Accounts of Rx. 186,441, and a deterioration in the Imperial Section of Rx. 106,028.

In England there was a reduction in Expenditure, including Exchange, of Rx. 339,985, and an increase of Revenue of Rx. 14,531; these together yield an improvement in England of Rx. 354,516. Deducting from the last figure Rx. 106,028, the amount of the deterioration in the Imperial Section of the Accounts in India, we arrive at the net amount of Rx. 248,488, by which the deficit of the Accounts fell short of that estimated in March last.

1892-93. Revenue in India.

54. The larger part of the increase in revenue in India occurred under the principal heads of revenue, Rx. 130,375. The Army receipts were also under-estimated by Rx. 57,243.

1892-93. Expenditure in India.

55. The Army expenditure in India was under-estimated in the Revised Estimates by Rx. 66,891. Under other heads the expenditure on the whole was slightly less than the Revised Estimate.

1892-93. Expenditure in England.

56. The Army expenditure in England fell short of the Revised Estimate by 133,504*l.*, and the Special Defence Expenditure by 48,668*l.*, owing in both cases chiefly to the progress in the supply of stores being smaller than was anticipated.

1892-93.

57. The expenditure not charged to revenue amounted to Rx. 3,986,290, being very slightly less than the amount taken in the Revised Estimate.

SECTION II.—REVISED ESTIMATE OF 1893-94.

58. The following statement contains a general comparison of the figures of the Budget and Revised Estimates of 1893-94 :—

	Budget.	Revised.	Revised, better.	Revised, worse.
REVENUE.				
India - - - - - - Rx.	89,690,900	90,121,000	430,100	—
England - - - - - £.	193,500	187,700	- -	5,800
Exchange - - - - - Rx.	121,300	120,800	- -	500
TOTAL - Rx.	90,005,700	90,429,500	423,800	—
EXPENDITURE.				
India:				
Imperial, Provincial, and Local Rx.	66,572,300	66,548,400	23,900	—
Adjustment for Provincial and Local Surplus and Deficit - Rx.	—751,200	—478,800	- -	272,400
NET - Rx.	65,821,100	66,069,600	- -	248,500
England - - - - - £.	15,843,800	15,909,600	- -	65,800
Exchange - - - - - Rx.	9,935,900	10,243,100	- -	307,200
TOTAL - Rx.	91,600,800	92,222,300	- -	621,500
DEFICIT - Rx.	1,595,100	1,792,800	- -	197,700

1893-94. General Results.

59. There has been a moderate increase in the Revenue, and the total Expenditure in India has been restricted to a sum slightly less than the Estimate of March last; but the Imperial Expenditure in India and the Expenditure in England have exceeded the Budget Estimate, and the slight fall in the rate of exchange from 1*s.* 2·75*d.* to 1*s.* 2·6*d.* has caused an increase in the direct charge for exchange of Rx. 265,900. The net result is that it is now anticipated that the deficit of the year will exceed that entered in the Budget Estimate by Rx. 197,700, and will amount to the very considerable sum of Rx. 1,792,800. Probably the deficit will be somewhat reduced when the accounts of the year are made up.

1893-94. Revenue in India.

60. The increase in the Revenue in India above the Budget Estimate amounts on the whole only to Rx. 430,100. But the Revenues generally have increased in a very satisfactory manner, and it is the heavy falling off in the receipts from opium and salt that has reduced the net increase to the amount named. Of the improvement of Rx. 430,100, the sum of Rx. 325,200 is Imperial, and Rx. 104,900, Provincial and Local.

61. The

61. The only heads under which the Revenue will fall short of the Budget Estimates by any considerable amount are:— 1893-94. Decreases of Revenue in India

	Rx.
Opium	621,800
Salt	241,600
Provincial Rates	220,800
Marine	54,700
Gain by Exchange	78,000

62. The decrease under Opium is in the receipts from the sale of Bengal Opium, and is due partly to the small crop having necessitated a reduction of 351 chests in the quantity sold, but mainly to the average price realised being only Rs. 1,109 a chest as compared with Rs. 1,250 taken in the Budget Estimate.

63. The decrease under Salt is largest in Madras, amounting to Rx. 140,200; there it is due, not to any reduction in the quantity of salt issued, but to the fact that purchasers have again begun, probably in consequence of the fall in the price of Government securities, to avail themselves of the option of deferring payment of duty for six months on lodging security. In Northern India the falling off is considerable, amounting to Rx. 120,000, and represents an actual reduction in the quantity of salt issued. Owing to a failure of manufacture at the Sambhar Lake, the price of that salt had to be raised, and this necessarily had the result of reducing the sales of it. This ought not, however, to have caused a reduction of Salt Revenue in the whole of India, as salt from other sources should in ordinary course have taken the place of the Sambhar Salt; but this has not occurred to nearly the full extent of the reduction in Northern India.

64. The decrease in Provincial Rates occurs in Madras. Part of it is nominal, being caused by a change in classification which transfers certain quit-rents, amounting to Rx. 141,100, from this head to Land Revenue. The remainder is due to the suspension of the Village Cess in Madras for one year (1st July 1893 to 30th June 1894), the accumulated balance of the local fund to which the receipts from the cess appertain being sufficient to meet a year's expenditure.

65. The decrease under Marine occurs in the Imperial Marine Department, and is nominal, being counterbalanced by a reduction in Expenditure; recoveries on account of ships or launches built, or other work done at the Government Dockyards for Local Governments, being now taken on the Dockyard Accounts as deductions from Expenditure instead of as Revenue. The decrease would have been larger had it not been for large receipts, amounting to Rx. 19,300, not anticipated in the Budget Estimate, from the hire of vessels of the Indian Marine.

66. The uncertainty in estimating the transactions which pass under the head of Gain by Exchange was explained in paragraph 48 of the Financial Statement of last March.

67. The following are the more important increases of Revenue in India:— 1893-94. Increases of Revenue in India.

	Rx.
Land Revenue, including that due to Irrigation	311,500
Stamps	116,900
Excise	212,000
Forest	88,300
State and Guaranteed Railways	646,300

68. Part, Rx. 141,100, of the increase under Land Revenue is nominal, as explained in paragraph 64 above. A considerable part, Rx. 66,100, of the increase in Bombay is also nominal, as it occurs in the adjustment of alienated

Land Revenue, and is counterbalanced by an increase in Expenditure. (*See* paragraph 77 below.) The remainder, Rx. 104,300, represents the real increase, and is contributed to by all Provinces, except the North-Western Provinces and Oudh, Burma, and the Central Provinces.

69. The increase under Stamps occurs in all Provinces except Burma. The increase under Excise is also general, the largest increases being in Bengal, Rx. 60,000; Madras, Rx. 50,000; Bombay, Rx. 46,000; and the North-Western Provinces and Oudh, Rx. 30,000.

70. The largest part of the increase under Forest occurs in Burma, where, owing to a favourable season and the development of forest operations, it is anticipated that the receipts will exceed the Budget Estimate by Rx. 85,000.

71. The Railway Revenue has developed in a most satisfactory manner. The Budget Estimate took credit for a considerable increase in the receipts above those of 1892–93; but the returns up to date justify the anticipation that the Estimate will be exceeded by nearly two-thirds of a crore of rupees. Almost every Railway has shared in the general prosperity, the only exception of note being the Burma Railway, on which the development of traffic has experienced a check for reasons believed to be of a temporary nature; the prices of paddy have been low, and the cultivating classes in Burma have consequently been less well off than usual.

1893-94. Revenue in England.

72. The decrease in the sterling Revenue is accounted for by the fact that the Secretary of State, owing to the failure for a time to sell Council Bills, had for a great part of the year no balance available, as usual, for temporary investment. The receipts under Interest are therefore expected to fall short of the Budget Estimate by 10,400*l.* The receipts under most other heads will also be less than the estimates by small amounts; but the aggregate of these decreases is more than counterbalanced by an increase of 13,700*l.* under Army Receipts in England.

1893-94. Expenditure in India.

73. The Imperial Expenditure in India is expected to exceed the Budget Estimate by Rx. 143,600, while the Provincial and Local Expenditure will be less than the Estimate by Rx. 167,500. The difference between these two is the Rx. 23,900 shown in paragraph 58 as the reduction of the Expenditure in India below the Budget Estimate. This figure is the net result of a number of increases and decreases.

Exchange Compensation Allowances.

74. Before referring to the several increases and decreases, one cause of increased expenditure under most heads may be mentioned. In August last the Government of India decided to give to European and Eurasian officers not domiciled in India some compensation for the losses being suffered by them in consequence of the great and continued fall in the rate of exchange. The form which the portion of this compensation that affects Expenditure in India took was the grant to such officers of an allowance, payable monthly with salary, and designated Exchange Compensation Allowance, sufficient to enable each officer to remit to Europe one-half his salary, subject to a maximum limit of 1,000*l.* a year, at a privileged rate of exchange, which was fixed till further orders at 1*s.* 6*d.* the rupee. The allowance is payable as a percentage on salary, varying with the rate of exchange assumed as the market rate for the quarter, and calculated to yield an amount equal to the difference between one-half salary converted at 1*s.* 6*d.* and one-half salary converted at the average market rate. The average market rate adopted for the payments of Exchange Compensation Allowance in each quarter is the average Calcutta demand rate for the three months ending on the 15th of the month preceding the quarter. The allowances were granted with effect from the 1st April 1893. The rates taken as the average market rates for calculating the payments in each quarter have been—

	s.	*d.*
April to June 1893	1	$2\frac{4}{5}$
July to September 1893	1	$3\frac{5}{8}$
October to December 1893	1	$3\frac{11}{32}$
January to March 1894	1	$3\frac{5}{32}$
Average for the whole Year	1	$3\frac{37}{160}$

75. The

75. The following table shows the payments of Exchange Compensation Allowance as taken in the Revised Estimates under each head of Account, Imperial and Provincial:—

	Imperial.	Provincial.	Total.
	Rx.	Rx.	Rx.
3. Land Revenue	4,200	40,400	44,600
4. Opium	2,500	—	2,500
5. Salt	2,800	300	3,100
6. Stamps	100	100	200
7. Excise	500	200	700
9. Customs	900	1,600	2,500
11. Forest	7,100	4,700	11,800
12. Registration	—	100	100
15. Post Office	3,400	—	3,400
16. Telegraph	8,500	—	8,500
17. Mint	1,800	—	1,800
18. General Administration	13,400	23,800	37,200
19 A. Law and Justice: Courts of Law	3,200	64,700	67,900
19 B. Law and Justice: Jails	1,300	4,000	5,300
20. Police	4,800	25,800	30,600
21. Marine	5,200	700	5,900
22. Education	300	10,100	10,400
23. Ecclesiastical	8,900	—	8,900
24. Medical	1,200	21,800	23,000
25. Political	12,600	2,500	15,100
26. Scientific and other Minor Departments	9,200	1,400	10,600
30. Stationery and Printing	300	600	900
37. Construction of Railways	—	100	100
38. State Railways: Working Expenses	20,300	1,800	22,100
39. Guaranteed Companies (Land and Supervision)	3,100	—	3,100
41. *Miscellaneous Railway Expenditure*	1,700	—	1,700
42. Major Works: Working Expenses	3,300	5,700	9,000
43. Minor Works and Navigation	1,700	—	1,700
44. Military Works	9,600	—	9,600
45. Civil Works	4,300	21,700	26,000
46. Army: Effective	*263,500	—	*263,500
47. Special Defence Works	1,600	—	1,600
Total	401,300	232,100	633,400

* This is the net amount paid, after making from the amounts due the prescribed deductions on account of family remittances at the favourable rate of 1*s.* 4¾*d.* which were made between April and August before the orders granting the Exchange Compensation Allowances issued. Those orders withdrew the privilege of making family remittances through the Government Account.

The distribution of the Provincial total of Rx. 232,100 among the several Provinces is as follows:—

	Rx.
Central Provinces	13,800
Burma (Lower)	19,700
Assam	7,800
Bengal	45,000
North-West Provinces and Oudh	42,700
Punjab	30,100
Madras	38,400
Bombay	34,600
Total	232,100

1893-94. Increases of Expenditure in India.

76. The more important increases of Expenditure in India in 1893-94 as compared with the Budget Estimates are—

	Rx.
Assignments and Compensations	81,400
Interest	157,000
Law and Justice—Courts of Law	89,600
Political	97,500
Stationery and Printing	58,600
State Railways—Working Expenses	171,600
Army	318,300

77. The increase under Assignments and Compensations occurs almost entirely in Bombay; the debit and credit adjustments of alienated Land Revenue—adjustments peculiar to that Province—have been increased in consequence of the actual area of certain alienated lands in Sind having been found to be larger than the area previously recorded; there is a similar increase on the Revenue side under Land Revenue. (*See* paragraph 68 above.)

78. The increase under Interest represents the discount on the 3½ per cent. loan for Rx. 3,500,000 raised in August last, and the portion of the interest on that loan payable in the year 1893-94, diminished by the saving in the interest on the 4½ per cent. paper which was notified for discharge in October. When the Budget Estimate was framed last March, no provision was made for the interest on the new loan, as it was then assumed that it would be issued at 4 per cent., and that the interest payable during the year would be covered by the premium on the loan.

79. The grant of Exchange Compensation Allowances accounts for the larger part of the increase under Law and Justice. But in some Provinces also temporary appointments of Judges not provided for in the estimate have had to be sanctioned or continued.

80. The increase under Political is due chiefly to the enhancement by Rx. 60,000 a year of the subsidy paid to the Amir of Afghanistan, which was agreed to in the negotiations of Sir Mortimer Durand, and to the cost of Sir Mortimer Durand's Mission to Cabul. The Herat Mission, the visit to Mekran of the Agent to the Governor-General in Baluchistan, the exploration of the Porkhampti Country, the Kinchaing Mission, and the Anglo-Siamese Boundary Commission, have also added to the expenditure under this head.

81. Most of the Provinces show an increase of Expenditure on Stationery and Printing, and the demands on the Calcutta Stationery Office have necessitated considerably larger purchases in this country than were anticipated.

82. The increase in Expenditure on State Railways was caused by the larger traffic, and was necessary to earn the larger receipts.

83. The larger part of the increase under Army is due to the grant of Exchange Compensation Allowance, the charge to this head being Rx. 263,500 as

as given in the table in Paragraph 75. The following supplementary grants were also sanctioned during the year, namely—

	Rx.
For the Kachin, South Lushai, and Kelat operations -	21,500
For the Gilgit Agency - - - - - - -	48,150
For the purchase of additional horses to replace those taken to Egypt by the 7th Dragoon Guards -	16,900
For rations on the field service scale in the Chin country	16,200
Other smaller grants - - - - - - -	14,550
Total - - -	117,300

On the other hand, it is anticipated that the Budget Grants for the year will in some cases prove to have been higher than necessary.

1893–94. Decrease of Expenditure in India.

84. The more important decreases of Expenditure in India as compared with the Budget Estimates are—

	Rx.
Land Revenue - - - - - - - -	57,700
Opium - - - - - - - - - -	370,800
Forest - - - - - - - - - -	69,700
Police - - - - - - - - - -	84,000
Marine - - - - - - - - - -	115,000
Civil Works - - - - - - - -	145,400
Special Defences - - - - - - -	89,000

85. The decrease under Land Revenue occurs chiefly in the North-Western Provinces and Oudh, Rx. 23,700, Bombay, Rx. 18,400, and Assam, Rx. 12,200. In the North-Western Provinces and Oudh the Expenditure on Survey and Settlement has been restricted below the Estimate; in Bombay the payments to village officers have been less than the Estimate, and some new establishments for which provision was made have not yet been entertained; in Assam the direct payments for the collection of Land Revenue are declining with the substitution of Tahsils for collection through Mauzadars, and in that Province also some new establishments provided for have not yet been entertained.

86. The reduction in Opium Expenditure is caused by the failure of the crop; the Estimate provided for the payments for an average crop.

87. The Budget grants under Forest have proved to be higher than necessary in all Provinces, the saving being largest in Madras and Bombay.

88. The decrease under Police is distributed over all the Provinces; the amounts entered in the Budget Estimates were generally too liberal, provision being made for schemes of re-organisation and improvement not fully ready to be brought into operation, as well as for the full existing scale of expenditure.

89. Most of the saving under Marine occurs in the Imperial Marine Department and is nominal, being counterbalanced by the reduction in Revenue, as explained in Paragraph 65 above. There is also a reduction of Rx. 30,100 in Bengal and Burma, due to the progress in the construction of certain new vessels having been slower than was anticipated.

90. The decrease under Civil Works occurs in the Provincial and Local Expenditure of most of the Provinces, the largest reductions being in Madras and Lower Burma. The progress in some works for which provision was made in the Budget Estimate has not been so great as anticipated.

91. The execution of some works for which provision was made in the Estimate for Special Defences has been postponed; hence the saving under that head.

1893-94. Expenditure in England.

92. The main cause of the excess of 65,800*l.* in the Expenditure in England was the failure to sell Council Bills for a time, which necessitated borrowing and increased the interest charges. The increase due to this cause amounts to 84,600*l.* Discount on the Loan of 1,300,000*l.* and commission on India Debentures, for which no provision was made in the Budget Estimate, amounted to 19,500*l.*, and raised the total excess under interest to 104,100*l.* The Expenditure in England on Special Defence Works will be less than the estimate by 66,000*l.*, the indents for stores sent from India having been reduced in consequence of the postponement of works mentioned in the preceding paragraph. The variations in other heads are smaller, and result in a slight excess over the Budget Estimate.

1893-94. Exchange.

93. The increase in the Sterling payments accounts for Rx. 41,300 of the increase in the charge under Exchange. The remaining Rx. 265,900 is due to the fall in the rate of exchange from 1*s.* 2·75*d.* as estimated in March 1893 to 1*s.* 2·6*d.* realised upon the remittances of the year.

SECTION III.—BUDGET ESTIMATE OF 1894-95.

94. The following Statement compares the Revenue and Expenditure in India and in England in the Budget Estimates of 1894-95 with that in those of 1893-94 :—

	1893-94.	1894-95.	1894-95, better.	1894-95, worse.
REVENUE.				
India - - - - - Rx.	89,690,900	91,728,000	2,037,100	—
England - - - - - £.	193,500	173,200	—	20,300
Exchange - - - - Rx.	121,300	123,700	2,400	—
TOTAL - - - Rx.	90,005,700	92,024,900	2,019,200	—
EXPENDITURE.				
India—				
Imperial, Provincial, and Local Rx.	66,572,300	66,373,500	198,800	—
Adjustment of Provincial and Local Surplus or Deficit - Rx.	—751,200	—1,184,400	433,200	—
Net - - - Rx.	65,821,100	65,189,100	632,000	—
England - - - - - £.	15,843,800	15,830,300	13,500	—
Exchange - - - - Rx.	9,935,900	11,307,400	—	1,371,500
TOTAL - - Rx.	91,600,800	92,326,800	—	726,000
DEFICIT - - - Rx.	1,595,100	301,900	1,293,200	—

1894-95. General Results.

95. The general features of the year 1894-95, as compared with the Budget Estimates of 1893-94, may be enumerated as follows: a substantial increase of Revenue, amounting to Rx. 837,100; an increase of Revenue net (after deducting the increased cost of establishment) of Rx. 1,140,000 by the imposition of new taxation; a large increase of Expenditure in India by the grant of Exchange Compensation Allowances to the services; a large reduction of Expenditure in India secured by the stoppage of all optional Expenditure chargeable to the Famine Grant and by stringent measures of economy under other

other heads; an increase in the Interest charges in England with reduction of other sterling expenditure; and a large increase under Exchange caused by the fall in the value of the rupee from 1*s.* 2$\frac{3}{4}$*d.* to 1*s.* 2*d.*

The net result is a considerable improvement; the deficit will be Rx. 301,900, as compared with Rx. 1,595,100 in the Estimates of 1893-94. The reasons why it has been decided by the Government of India to accept a deficit in the Estimates were fully explained to the Council* on March 10th.

96. The Revenue in India in 1894-95 is expected to exceed that taken in the Budget Estimates of 1893-94 by Rx. 2,037,100. Of this, the sum of Rx. 1,200,000 is secured by the imposition of new taxes. 1894-95 Revenue in India.

The increase in Imperial Revenue is Rx. 2,096,900, while there is a decrease of Rx. 59,800 in Provincial and Local Revenue. The distribution between Imperial and Provincial would have been different but for the contributions which the Provincial Governments have been called on to pay in consideration of the severe financial straits of the Imperial Government.

The amounts paid by the several Provinces are, —

	Rx.
Central Provinces	43,000
Lower Burma	180,000
Assam	16,000
Bengal	30,000
North-Western Provinces and Oudh	50,000
Madras	30,000
Bombay	56,000
	405,000

The contributions are brought upon the Estimates and Accounts by transferring the amount from the Provincial to the Imperial share of the receipts under Land Revenue; the Provincial Revenues being thereby diminished and the

* Extract from the Honourable Mr. Westland's speech in the Legislative Council on 10th March 1894:—

"The view which your Excellency's Government has taken is, that we are at present in a transition period, and that whatever measures we take, whether they are sufficient or insufficient to fill up the deficit in the accounts of the year 1894-95, they must be looked upon as only provisional and temporary. We are still passing through—it may be said we have only just entered upon—that currency crisis upon the settlement of which depends our future finance. Whether we shall be able to establish our rupee at what we may call a favorable figure, is a question the solution of which must practically be left to experiment. Until two months ago circumstances were against us, and the experiment was practically in suspense. The period during which we have been able to watch the effect of commercial operations upon our currency is not yet more than a few weeks old—far too short a time to enable us to judge whether the falling rupee is to carry us into perpetually increasing difficulties, or whether a recovery from its present low figure is to give us some respite from our financial troubles and anxieties. Even since my statement was laid before the Council there has been a change; whether it is a merely temporary one or not, it is nevertheless an important change in the aspect of the matter. Time has not yet declared on the one side or on the other, and it is impossible for any one as yet to pronounce whether our financial position is going to improve or going to deteriorate. It is a serious confession to make, but it is nevertheless true, that our financial position in the immediate future depends upon circumstances absolutely outside our control, and that we can do little more than watch in what direction the forces are working which will in the end either bring us security from these perpetual variations or still more serious troubles than any we have yet had to provide against.

"This then is the position we had to meet. Do what we will, the year 1894-95 must be a transition period—a period at the end of which, we have every reason to hope, we shall be far better able than we now are to judge in what direction our finance is progressing.

"Under these circumstances, the question that presented itself to us was whether we were to assume that all hope of the recovery of the rupee, within some measurable distance of time, was lost, and to adopt heroic measures which would place ourselves at once in a position to meet our current rate of expenditure, even with the rupee at fourteen pence; or whether we should for the present adopt a policy of waiting for further developments, making all the temporary arrangements we could for tiding over a year of extreme difficulty, and meantime merely lay the foundation of the fiscal measures to which, in the event of our ultimately having to fill the whole estimated deficit of 3½ crores, we would be obliged to have recourse."

the Imperial Revenues increased. The amount of the contributions levied being Rx. 405,000, the distribution of the increase of Revenue of Rx. 2,037,100, in ordinary course and apart from the special and extraordinary measure resorted to to help towards securing equilibrium in the Imperial Budget Estimate, would have been Imperial Rx. 1,691,900 (or, if we exclude the New Customs Revenue, Rx. 491,900) and Provincial and Local Rx. 345,200.

1894-95. Decreases of Revenue in India.

97. The only decreases of Revenue of importance are—

	Rx.
Opium	922,600
Provincial Rates	181,800
Mint	162,800
Marine	74,400

98. The loss under Opium occurs in the receipts from the sale of Bengal Opium, and is caused chiefly by the difference in the market price. Last March the current prices justified the assumption of an average price of Rs. 1,250 a chest; now it is not safe to assume a higher price than Rs. 1,070 a chest. The difference of Rs. 180 a chest means a loss of Rx. 761,400. The rest of the decrease is in consequence of the reduction in the probable quantity to be sold necessitated by the poor crops of last and previous years.

99. The decrease in Provincial Rates is the result of a decrease in Madras of Rx. 251,100, and an increase in other Provinces of Rx. 69,300. The improvement in the other Provinces is the normal increase in the rates, which increase with the Land Revenue. Of the decrease in Madras, Rx. 151,500 is nominal, being the amount transferred to Land Revenue in consequence of the change of classification described in paragraph 64 above; the remainder is caused by the suspension of the collection of the cess mentioned in the same paragraph during the first three months of the year, and by the rate at which the cess will be levied from 1st July next being lower than in the past.

100. The closing of the Mints to the free coinage of silver accounts for the loss of Revenue under Mint: as no silver will be tendered for coinage, there will be no seignorage receipts.

101. The decrease under Marine is nominal, as explained in paragraph 65 above.

1894-95. Increases of Revenue in India.

102. The following are the more important increases of Revenue in India anticipated in 1894-95:—

	Rx.
Land Revenue, including that due to Irrigation	599,300
Stamps	127,700
Excise	171,700
Customs	1,207,700
Assessed Taxes	53,700
Forest	57,200
Post Office	56,200
State and Guaranteed Railways	858,900
Irrigation—Major Works	67,900

103. Of

103. Of the increase under Land Revenue, a portion, Rx.151,500 in Madras and Rx.69,800 in Bombay, is nominal, for reasons explained in paragraphs 99 and 68 above. Bengal, being permanently settled, shows a slight increase only, and the small Provinces under the direct administration of the Government of India show hardly any improvement on the whole. In the North-Western Provinces and Oudh there is a substantial falling off; but that is merely the result of a correction of an error in estimating. The Estimates of the last few years in that Province have not been realised, and it has been ascertained that sufficient allowance was not made in them for the normal arrears of revenue left uncollected at the end of the financial year; a larger allowance for arrears is made in the Estimate for 1894-95.

Excluding the North-Western Provinces, Bengal, and India-General, all the other Provinces show substantial increases in the amount of Land Revenue, these being the result of Survey and Settlement operations in temporarily settled districts, and of the expansion of cultivation in provinces where the amount of the Revenue depends on the extent of cultivation.

104. The improvement in the Stamp Revenue, though unequallydistributed over the Provinces, is general throughout India, with the exception of Burma, where there has been a check to the development of this branch of income.

105. The increase in the Excise Revenue is also general, Burma being the only exception; the decrease in Burma is due to the adoption of the policy in regard to opium which was described in paragraph 71 of last year's Financial Statement.

106. The increase under Customs is due to the new duties imposed by Act VIII. of 1894. The Customs Revenue has not done well in 1893-94, and had there been no change in the duties it would not have been possible to anticipate any appreciable increase in this head of Revenue.

107. The increase under Assessed Taxes represents the normal development of this branch of Revenue, the amount of increase being somewhat greater than usual; with the exception of Bengal and Bombay, all provinces share in this increase, Madras being the largest contributor.

108. Most Provinces contribute to the increase under Forest, which is of rather more than the normal annual growth of this head of Revenue, the specially large increase being in Burma.

109. The increase under Post Office represents the normal annual progress of the Department, the amount being somewhat higher than usual, as the Revenue increased at more than the average rate in 1893-94.

110. The Railway Revenue is taken at an amount somewhat higher than that which will be realised in 1893-94. The increase is justified either by additional mileage recently opened or to be opened next year, or in the case of lines under development, by the steady growth of traffic.

111. The increase under Irrigation occurs mainly in the Punjab, an extension of irrigation from the Western Jumna, the Bari Doab, and the Chenab Canals being expected. The revenue from the Sirhind Canal was low in 1893-94, owing principally to the closure of the canal for silt clearance for three months; the normal revenue is expected in 1894-95.

1894-95. Expenditure in India.

112. The Expenditure in India in 1894-95 on the whole will be of about the same amount as in the Budget Estimate of 1893-94. Imperial Expenditure will be less by Rx. 572,200, while Provincial and Local Expenditure will be more by Rx. 373,400, the net result being the small excess of Rx.198,800 shown in the table in paragraph 94. This approximate equality is the final result of many large variations in both directions.

1894-95. Exchange Compensation Allowances.

113. The following table gives the same information for 1894-95 in regard to the Exchange Compensation Allowances as is given above for 1893-94 in the table

table in paragraph 75. In estimating the amounts for 1894-95, 1*s.* 2*d.* the rupee has been assumed as the average market rate of the year:—

	Imperial.	Provincial.	Total.
	Rx.	Rx.	Rx.
3. Land Revenue	6,700	75,100	81,800
4. Opium	3,900	—	3,900
5. Salt	5,100	500	5,600
6. Stamps	100	300	400
7. Excise	800	400	1,200
9. Customs	1,600	2,600	4,200
11. Forest	12,000	8,200	20,200
12. Registration	100	100	200
15. Post Office	4,900	—	4,900
16. Telegraph	14,400	—	14,400
17. Mint	3,400	—	3,400
18. General Administration	22,800	38,700	61,500
19A. Law and Justice: Courts of Law	5,500	110,000	115,500
19B. Law and Justice: Jails	2,100	6,700	8,800
20. Police	8,900	44,700	53,600
21. Marine	10,100	1,300	11,400
22. Education	500	17,000	17,500
23. Ecclesiastical	15,500	—	15,500
24. Medical	2,400	37,100	39,500
25. Political	23,400	4,100	27,500
26. Scientific and other Minor Departments	12,800	2,200	15,000
30. Stationery and Printing	400	800	1,200
38. State Railways: Working Expenses	47,900	2,900	50,800
39. Guaranteed Companies (Land and Supervision)	5,200	—	5,200
41. Miscellaneous Railway Expenditure	1,900	—	1,900
42. Major Works: Working Expenses	5,700	10,100	15,800
43. Minor Works and Navigation	3,200	—	3,200
44. Military Works	16,900	—	16,900
45. Civil Works	7,900	37,600	45,500
46. Army: Effective	465,800	—	465,800
47. Special Defence Works	1,000	—	1,000
Total	712,900	400,400	1,113,300

The

The distribution of the provincial total of Rx. 400,400 among the several provinces is as follows:—

	Rx.
Central Provinces	22,600
Burma (Lower)	33,100
Assam	13,900
Bengal	72,700
North West Provinces and Oudh	73,900
Punjab	51,100
Madras	69,300
Bombay	63,800
TOTAL	400,400

114. The more important increases of expenditure in India are— 1894-95. Increases of expenditure in India.

	Rx.
Assignments and Compensations	98,700
Land Revenue	74,500
Customs	64,700
General Administration	67,400
Law and Justice—Courts of Law	141,500
Police	82,600
Medical	56,100
Political	146,200
Stationery and Printing	55,300
State Railways—Working Expenses	314,300
Ditto - Interest	158,000
Army	475,700

115. Of the increase under Assignments and Compensations the larger part, Rx. 72,200, occurs in Bombay, and is nearly counterbalanced by an increase of the receipts under Land Revenue (*see* paragraph 103 above). Most of the balance occurs in the Central Provinces, where payments are to be made to certain zemindars as compensation for the resumption of their Abkári rights by the Government, a step considered expedient in the interests of efficient Excise administration.

116. The increase under Customs is for the establishment required to collect the new import duties.

117. From the table in paragraph 113 above, it will be seen that the exchange compensation allowances account for the greater portions of the increases under Land Revenue, General Administration, Law and Justice—Courts of Law, Police, and Medical. The remainder of the increases under these heads represents the ordinary growth of expenditure required to meet the wants of the country under the services mentioned.

118. The exchange compensation allowances account for Rx. 27,500 of the increase under Political. There is also an increase of Rx. 60,000 in the subsidy of the Amir of Afghanistan; and a provision of Rx. 50,000 has been made for the expenditure which will be incurred in connection with the Afghan border demarcation.

119. The increase under Stationery and Printing is explained in paragraphs 81 and 157; no appreciable reduction of the charges under this head below those of 1893-94 can be hoped for.

120. The increase in the working expenses of State Railways is an accompaniment of the increased revenue, and that in the interest charges is a transfer from ordinary debt following the yearly addition to the capital expenditure.

 121. The

121. The more important increases in the Estimate of Army Expenditure for 1894–95, as compared with the Estimate for 1893–94, are as follows :—

	Rx.
Exchange compensation allowances and alteration in the pay of British soldiers due to different value of the rupee—net	390,100
Smaller allowance for short strength of troops, based on recent actuals (Rx. 63,100 were deducted in 1893–94 and only Rx. 46,100 in the Estimate for 1894–95)	17,000
Amount deducted from the Budget Estimate, 1893–94, for probable savings owing to the absence in Egypt of the 7th Dragoon Guards for a part of the year; full provision is necessary in 1894–95	31,000
Pay of officers on the Unattached List of the British Army who are candidates for the Indian Staff Corps under Clause 25, I.A.C., 1892	12,600
Increase in cost of food for men and animals	49,000
Increased provision for malt liquor	35,900
Increased provision for the Kashmir and Gilgit transport arrangements	40,000
Increased provision for railway charges for the conveyance of troops and stores	27,400
Provision for the additional staff, &c., required for part of the year under the new organisation on the abolition of the Presidency Army system	10,000
Replacement of the mobilisation equipments, stores, &c., destroyed by fire at Peshawar	38,200
Increased purchases of transport animals to complete establishment, due to casualties and castings	23,700
Larger provision for Volunteer corps with reference to authorised establishments, and an increase in the number of efficients	11,300

The more important decreases are as follows :—

	Rx.
Withdrawal of a battalion of British infantry from the Indian establishment, 20 privates being added to each of the remaining battalions	15,700
Fewer local supplies required for ordnance factories, partly counterbalanced by larger provision for camp equipage	16,700
Reduced provision for capitalised pensions, and for pensions of officers drawing their pensions in India	11,700
Smaller provision for charges for special expeditions	132,000
The omission of the following special grants made in 1893–94, namely :—	
Reconstitution of Hindustani regiments	12,500
Hutting charges of the Native Army beyond those allowed by regulation	25,900
Purchase of land	10,100
Establishment of new cantonment general hospitals at certain stations in Bengal	10,000

1894-95. Decreases of expenditure in India.

122. The important decreases of expenditure in India are—

	Rx.
Interest	113,200
Marine	105,500
Construction of Protective Railways	1,054,300
Construction of Railways	50,700
Military Works	194,200
Civil Works	408,600
Special Defence Works	138,800

123. The

123. The saving under Interest is the result of the annual transfer from ordinary debt to debt on account of the capital outlay on Railways and Irrigation Works. That transfer is partly counterbalanced this year by the addition to the Public Debt of Rx. 3,500,000, borrowed at 3½ per cent. interest, in August to October 1893, less the diminution of the debt by the notification for discharge of the balance, Rx. 1,341,400, of the 4½ per cent. loans.

124. Of the decrease under Marine, the portion, Rx. 65,200, which occurs in the Imperial Marine Department is nominal, as explained in paragraph 65 above. The remainder occurs chiefly in Burma and Bengal; so many new vessels and launches will not be constructed for the Local Governments next year as in 1893-94.

125. The decrease under Construction of Railways is due to the approaching completion of the Mayavaram-Mutupet Provincial Railway in Madras, the provision for expenditure on that railway being only Rx. 17,500, as compared with Rx. 67,500 in the Budget Estimate of 1893-94.

126. The decrease under Special Defence Works is secured by the practical completion of the expenditure on those works; in view of the financial position, and for other reasons, several of the not very large number of sanctioned works which remain to be carried out have been either postponed or abandoned.

127. The reduction under Construction of Protective Railways and that under Military Works, amounting together to Rx. 1,248,500, have been made expressly as measures of economy to help the Government towards securing equilibrium between revenue and expenditure.

128. Of the reduction under Civil Works, the sum of Rx. 176,500 was made from Imperial expenditure directly with the object described in the preceding paragraph. And of the remainder the larger part is made in provincial expenditure indirectly with the same object, the reductions being made to enable the Provincial Governments to pay to the Imperial Government the contributions which they were called on to pay in order to reduce the deficit in the Estimates of 1894-95. Some of the Local Governments have, however, made the required reductions under other heads of expenditure.

129. It may be mentioned that very strict economy has been insisted on in other expenditure also, and that the grants under many other heads than those mentioned in the two preceding paragraphs would have been larger, had it not been for the efforts made to reduce the deficit in the Estimates. In fact the difficulties of the position have, for the last year or two, obliged the Government to take every feasible measure to reduce or restrict its current expenditure.

1894-95. Expenditure in England.

130. The expenditure in England in 1894-95 will be, on the whole, less by 13,500*l.* than that entered in the Budget Estimate of 1893-94.

131. The only head under which an increase of importance in the expenditure in England is anticipated is Interest, which shows an excess over the Budget Estimate of 1893-94 of 288,500*l.* This is due to the sterling borrowing necessitated by the failure to sell Council bills during a great part of 1893-94.

132. There are reductions of 33,300*l.* under Marine, as the "Warren Hastings," for the construction of which a large provision was made in 1893-94, has been completed; of 152,100*l.* under Special Defence Works, the reason being the same as explained in paragraph 126 above in regard to the expenditure in India under the head; and of 166,800*l.* under Army Effective Charges, the amount of clothing and ordnance stores, and the payments to the War Office, being less than in 1893-94. The Non-Effective Army Charges are, on the other hand, increased by 97,100*l.* It is feared that the maximum of the Non-Effective sterling Army Charges has not yet been reached.

1894-95. Exchange.

133. The increase of Rx. 1,371,500 in the exchange on expenditure in England is due to the fall in the rate from 1*s.* 2¾*d.* to 1*s.* 2*d.* the rupee.

SECTION IV.—EXAMINATION OF THE ESTIMATES UNDER THE MORE IMPORTANT HEADS OF REVENUE AND EXPENDITURE.

LAND REVENUE.

	Accounts, 1890-91.	Accounts, 1891-92.	Accounts, 1892-93.	1893-94. Budget.	1893-94. Revised.	1894-95, Budget.
REVENUE.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Including that due to Irrigation:						
India, General - -	150,397	138,673	139,065	158,400	165,000	159,400
Central Provinces - -	676,166	701,507	695,038	723,200	706,500	798,300
Upper Burma - - -	615,998	582,561	662,178	710,000	690,000	770,000
Lower Burma - - -	1,492,717	1,559,475	1,605,479	1,660,000	1,655,700	1,685,800
Assam - - - - -	452,855	466,900	472,950	553,300	553,300	613,200
Bengal - - - - -	3,881,940	3,867,957	3,849,609	3,843,300	3,875,000	3,850,000
North Western Provinces and Oudh.	5,854,725	6,045,467	6,044,912	6,101,500	6,056,600	6,075,800
Punjab - - - - -	2,271,527	2,346,567	2,356,434	2,427,400	2,474,100	2,477,900
Madras - - - - -	4,851,279	4,422,633	5,157,847	5,156,000	5,340,200	5,371,600
Bombay - - - - -	4,506,601	4,507,223	4,644,122	4,639,700	4,767,900	4,770,100
TOTAL - - - Rx.	24,754,205	24,638,963	25,627,634	25,972,800	26,284,300	26,572,100
Shown under XXIX.—Irrigation	708,996	673,189	722,306	815,600	792,000	868,500
Shown under I.—Land Revenue	24,045,209	23,965,774	24,905,328	25,157,200	25,492,300	25,703,600
EXPENDITURE.						
District Administration - -	2,142,653	2,209,498	2,245,258	2,270,263	2,291,900	2,367,500
Other Charges - - -	1,533,943	1,625,628	1,691,087	1,842,037	1,761,900	1,819,300
TOTAL - - - Rx.	3,676,596	3,835,126	3,936,345	4,112,300	4,053,800	4,186,800

134. The figures in the above table show the distribution of the Land Revenue among the several provinces. The feature which has distinguished this head of revenue for many years appears again in the Estimates for 1894–95, namely, a progressive increase in consequence of increase of assessment on re-settlement and of extensions of cultivation in the provinces where the revenue depends on the amount of land under cultivation. Setting aside the small provinces classed under "India—General," and the permanently-settled province of Bengal, the only province which does not show an increase is the North Western Provinces and Oudh. As explained in paragraph 103, this is due to more careful estimating, and not to any actual falling off or to any change of policy in that province. The explanations in paragraphs 68 and 99 may also be referred to.

Opium.

	Accounts, 1890-91.	Accounts, 1891-92.	Accounts, 1892-93.	1893-94. Budget.	1893-94. Revised.	1894-95, Budget.
Revenue.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Bengal—Sale of Opium - - -	5,912,886	5,949,660	6,093,265	5,463,000	4,808,400	4,526,100
Bombay—Pass Fees - - - -	1,749,330	1,839,270	1,670,730	1,645,000	1,665,800	1,665,100
Excise, Opium, and other Revenue -	216,966	223,450	229,185	208,200	220,200	202,400
Total - - - Rx.	7,879,182	8,012,380	7,993,180	7,316,200	6,694,400	6,393,600
Expenditure.						
Payments to Cultivators - - Rx.	1,929,461	1,629,631	1,388,583	1,991,000	1,606,500	1,989,000
Other Charges - - - - Rx.	250,819	231,141	212,798	262,900	216,600	264,900
England - - - - £.	390	726	696	700	1,100	800
Exchange - - - - Rx.	127	315	419	400	700	600
Total - - - Rx.	2,180,797	1,861,813	1,602,496	2,255,000	1,884,900	2,255,300
Statistics.						
Bengal:						
Chests sold - - - - -	57,000	56,250	48,852	43,704	43,353	42,300
Average Price - - - Rs.	1,037	1,058	1,247	1,250	1,109	1,070
Chests produced - - -	44,760	44,522	33,679	—	40,506	—
Chests in balance, 31st March -	61,493	49,765	34,592	—	—	—
Reserve, 31st December - -	31,010	18,770	9,265	—	1,814	—
Bombay:						
Chests passed for Export - -	28,591½	30,654½	27,845½	27,417	27,763	27,751
Rate of Duty - - - Rs.	600 & 650	600	600	600	600	600

Bengal Opium Revenue in 1893-94.

135. The Budget Estimate of receipts in 1893-94 from Bengal opium was based on the assumption that 43,704 chests would be sold at an average price of Rs. 1,250 a chest. The yield of the crop being small, and the reserve having been exhausted, it became necessary to reduce the sales in the last three months of the year by 351 chests. This reduction accounts for a diminution of the receipts by Rx. 43,900. The high prices of 1892-93 were not maintained. The prices in April, May, and June showed a distinct falling off; in July the price fell very low in consequence of the apprehensions and uncertainty caused by the passing of the Currency Act a few days before the sale; in subsequent months there was a large recovery; but the average price for the whole year was only Rs. 1,109 a chest. This lower price is the cause of the bulk of the falling off in the Bengal receipts.

Bengal Opium Revenue in 1894-95.

136. The price realised at the sale this month was Rs. 1,095 a chest, and the tendency has since been downwards. It is, therefore, not considered safe to assume for 1894-95 a higher average price than Rs. 1,070 a chest.

The quantity of Bengal opium to be sold in the first nine months of 1893-94 was settled by the notification in June last; the quantity to be sold in the last three months cannot be settled till June next; but for the purpose of the Budget Estimate it is assumed that 42,300 chests will be sold in the whole year, being less by 1,404 than the quantity assumed for 1893-94 in the Budget Estimate of that year.

These reductions in price and quantity account for the considerable diminution in the receipts from Bengal opium in 1894-95.

Bombay Opium Revenue in 1893-94 and 1894-95.

137. The exports of Malwa opium through Bombay have fluctuated considerably from month to month in 1893-94. But the final result of the year promises to be an export of about the same amount as in 1892-93. The Revised Estimate for 1893-94 and the Budget Estimate for 1894-95 have accordingly been placed at approximately the same figure as the actual receipts of 1892-93.

Excise Opium in 1893-94 and 1894-95.

138. The receipts from the sale of excise opium tend to increase from year to year with the increase in excise revenue. The Budget Estimate of 1893-94 was placed lower than it otherwise would have been, because of the intended adoption from 1st June of the very restrictive measures in regard to opium in Burma, described in paragraph 71 of the Financial Statement of last March. The arrangements for the change took longer to mature than was expected, and the new rules were brought into force only from 1st January 1894. This postponement and the general increase of the receipts in other provinces have caused the increase in the Revised Estimate for 1893-94. The restrictive measures will be in force in Burma during the whole of 1894-95, and the reduction in receipts caused thereby more than counterbalances the increases in other provinces.

Opium expenditure in 1893-94 and 1894-95.

The expenditure on an average crop of opium was provided for in the Budget Estimate of 1893-94. The crop was again considerably below the average, and the expenditure this year has been less than the Estimate by Rx. 370,800. In 1894-95 provision is, as usual, made for the payments which an average crop requires.

SALT.

	Accounts, 1890-91.	Accounts, 1891-92.	Accounts, 1892-93.	1893-94. Budget.	1893-94. Revised.	1894-95, Budget.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Northern India (*a*)	1,930,502	1,971,135	2,118,090	2,020,000	1,900,000	2,013,300
Burma (*b*)	158,819	161,015	162,213	156,700	166,400	150,900
Bengal (*b*)	2,319,488	2,404,487	2,410,119	2,380,000	2,365,000	2,380,000
Madras (*a*)	1,951,783	1,772,937	1,721,224	1,770,000	1,629,800	1,800,000
Bombay (*a*)	2,162,776	2,326,608	2,244,458	2,261,100	2,285,000	2,285,000
TOTAL - - - Rx.	8,523,368	8,630,182	8,656,104	8,587,800	8,346,200	8,629,200
Charges	429,013	459,034	458,707	510,800	473,300	518,600

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported salt.

139. The reasons of the falling off in salt revenue in 1893-94 have been explained in paragraph 63 above. The reasons are of such a nature that there is no likelihood of their producing a similar effect on the revenue of next year. The Budget Estimate for 1894-95 has therefore been taken at a figure considerably higher than the probable revenue of this year, but still less than the revenue actually secured in 1891 92 and 1892 93.

140. The saving in the expenditure this year occurs chiefly in Northern India and in Madras; the season was unfavourable for manufacture, and the manufacturing charges are smaller than usual.

STAMPS.

	Accounts, 1890-91.	Accounts, 1891-92.	Accounts, 1892-93.	1893-94. Budget.	1893-94. Revised.	1894-95, Budget.
REVENUE.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Court Fees and Plain Paper	2,733,612	2,887,774	2,995,369	2,979,869	3,076,200	3,079,100
Commercial and other Stamps	1,255,760	1,297,281	1,374,200	1,376,659	1,396,600	1,405,200
Other Revenue	79,597	77,101	78,971	77,572	78,200	77,500
TOTAL - - - Rx.	4,068,969	4,262,156	4,448,540	4,434,100	4,551,000	4,561,800
Charges:						
India - - - - Rx.	84,620	89,531	91,170	90,600	94,300	95,000
England (Stores) - - £.	34,218	34,105	31,277	39,400	39,400	49,000
Exchange - - - - Rx.	11,181	14,811	18,817	24,700	25,300	35,000
TOTAL - - - Rx.	130,019	138,447	141,264	154,700	159,000	179,000

141. The

141. The Stamp Revenue continues to increase. Burma is the only province which does not contribute to the increase this year: depression of trade is alleged as the reason, but fluctuations in Stamp Revenue in a particular year can seldom be ascribed with confidence to any particular cause.

Excise.

	Accounts, 1890-91.	Accounts, 1891-92.	Accounts, 1892-93.	1893-94.		1894-95, Budget.
				Budget.	Revised.	
Revenue.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Bengal	1,046,484	1,113,397	1,159,458	1,150,000	1,210,000	1,210,000
North-Western Provinces	513,508	524,303	549,877	540,000	570,000	570,000
Madras	1,199,746	1,213,964	1,211,146	1,230,000	1,280,000	1,290,000
Bombay	999,067	1,025,462	1,025,696	1,020,000	1,066,000	1,070,000
Other Provinces	1,188,975	1,240,138	1,296,266	1,205,900	1,231,900	1,177,600
Total	4,947,780	5,117,264	5,242,443	5,145,900	5,357,900	5,317,600
Charges	175,053	190,097	193,013	208,800	194,100	205,200

142. The Excise Revenue shows this year a fully normal increase. With the exception of Burma, all provinces share in the increase, the North-Western Provinces being now included among the provinces whose Excise Revenue is increasing. The decrease in Burma, owing to the measures alluded to in paragraph 138 above, has not been so great in 1893–94 as assumed in the Budget Estimate, as the introduction of those measures took place later than intended; the full effect of them will be felt in 1894–95.

Provincial Rates.

	Accounts, 1890-91.	Accounts, 1891-92.	Accounts, 1892-93.	1893-94.		1894-95, Budget.
				Budget.	Revised.	
Revenue.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
District Local Funds	1,965,564	1,979,688	2,058,273	2,037,060	2,077,700	2,082,400
Provincial Cesses, including Famine Insurance.	658,131	680,736	693,011	690,470	694,600	699,200
Village Service and Patwaris	768,473	738,922	840,972	866,650	595,200	618,300
Other Cesses	99,072	103,491	114,242	112,920	118,800	125,400
Total	3,491,240	3,502,837	3,706,498	3,707,100	3,486,300	3,525,300
Charges	54,040	58,703	55,659	53,500	56,700	53,700

143. These receipts ordinarily increase with the Land Revenue. The falling off shown in the Revised Estimate for 1893–94, and in the Budget Estimate for 1894–95, occurs in Madras, and is explained in paragraph 64 and paragraph 99 above.

Customs.

	Accounts, 1890-91.	Accounts, 1891-92.	Accounts, 1892-93.	1893-94.		1894-95, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Import Duties—						
Liquors	600,001	589,584	610,253	589,000	625,400	612,000
Petroleum	165,040	174,662	202,309	200,000	215,000	380,000
Arms and Ammunition	28,053	31,734	31,162	31,070	31,350	31,250
Other Import Duties	444	501	450	450	25,450	1,020,450
Export Duties—						
Rice	924,838	881,957	743,356	816,170	731,500	801,300
Land Customs and Miscellaneous	23,942	22,850	30,103	28,510	30,000	27,900
TOTAL	1,743,218	1,701,288	1,617,633	1,665,200	1,658,700	2,872,900
Charges	134,652	136,363	140,634	144,800	145,300	209,500

Customs Revenue.

144. The Customs Revenue has since 1890-91 shown a tendency to decline. Even with the addition of some receipts in the last three weeks of the year from the new duties imposed from the 10th March by Act VIII of 1894, the Revenue in 1893-94, though higher than in 1892-93, is expected to be slightly less than the Budget Estimate.

For next year without the new duties the estimate would have been about the same as the Budget Estimate for 1893-94. The new duties, as explained in Part I of this Statement, are expected to yield in 1894-95 an additional revenue, after deduction of refunds and drawbacks, of Rx. 1,200,000 in all: Rx. 180,000 under "Petroleum," and Rx. 1,020,000 under "Other Import Duties."

Customs Expenditure in 1894-95.

145. The imposition of the new duties necessitates a considerable increase of establishment: to meet the cost of this, a sum of Rx. 60,000 has been added to the Estimate of Expenditure in 1894-95.

Assessed Taxes.

	Accounts, 1890-91.	Accounts, 1891-92.	Accounts, 1892-93.	1893-94.		1894-95, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Deductions by Government from Salaries, Pensions, and Interest payments.	415,536	412,228	416,786	415,211	434,400	441,500
Other Collections	1,201,860	1,240,595	1,269,355	1,271,989	1,295,900	1,299,400
TOTAL	1,617,396	1,652,823	1,686,141	1,687,200	1,730,300	1,740,900
Charges	29,246	29,577	30,171	32,400	31,500	32,700

Income Tax Revenue in 1893-94 and 1894-95.

146. The moderate but steady increase under this head, which ought to accompany the growth of the country in wealth and population, continues.

FOREST.

	Accounts, 1890-91.	Accounts, 1891-92.	Accounts, 1892-93.	1893-94. Budget.	1893-94. Revised.	1894-95, Budget.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - - -	1,448,002	1,490,582	1,591,332	1,588,800	1,677,100	1,646,000
Expenditure - - - -	784,113	843,926	865,225	990,200	921,000	984,400
Net - - -	663,889	646,656	726,107	598,600	756,100	661,600

147. Paragraph 70 and paragraph 108 above may be referred to in regard to the Revenue. **Forest Revenue in 1893-94 and 1894-95.**

148. The expenditure has been increased by the grant of Exchange Compensation Allowance by Rx. 11,800 in 1893-94 and Rx. 20,200 in 1894-95. **Forest Expenditure and Net Revenue.**

INTEREST.

	Accounts, 1890-91.	Accounts, 1891-92.	Accounts, 1892-93.	1893-94. Budget.	1893-94. Revised.	1894-95, Budget.
RECEIPTS.						
India - - - - Rx.	710,552	795,588	830,418	861,100	858,800	839,700
England - - - £	166,194	58,466	24,543	20,000	9,600	10,000
Exchange - - - Rx.	54,304	25,389	14,766	12,500	6,200	7,100
TOTAL - - - Rx.	931,050	879,443	869,727	893,600	874,600	856,800
EXPENDITURE.						
Interest on Debt:						
India - - - -	4,368,045	4,168,622	4,267,841	4,129,000	4,290,000	4,199,000
Deduct charged to—						
Irrigation - -	1,081,439	1,109,678	1,138,386	1,168,300	1,165,800	1,193,500
Railways - -	2,876,517	3,004,576	3,169,522	3,340,700	3,347,200	3,498,700
Balance charged to Interest - Rx.	410,089	54,368	—40,067	—380,000	—223,000	—493,200
England - - - £.	2,512,812	2,639,288	2,433,496	2,394,200	2,498,300	2,682,700
Exchange - - - Rx.	821,063	1,146,144	1,464,053	1,501,500	1,608,500	1,916,200
Interest on other Obligations:						
Savings Bank Balances Rx.	279,653	306,227	339,362	372,400	366,800	325,800
Other items, including Exchange - - „	171,687	169,149	177,419	177,800	181,600	179,900
TOTAL - - - Rx.	4,195,304	4,315,176	4,374,263	4,065,900	4,432,200	4,611,400
Debt outstanding, 31st March:						
Sterling - - - £.	104,408,208	107,404,143	106,683,767	106,833,743	114,118,467	116,418,467
Rupee Debt;						
4 per Cent. - - Rx.	89,107,878	89,448,897	100,471,572	100,711,187	100,691,572	100,691,572
3½ per Cent. - - „	52,180	52,180	52,180	3,052,180	3,551,280	3,551,280
Other Debt - - „	13,586,497	13,191,240	2,413,800	2,388,950	1,312,800	1,161,800
Savings Bank Balances - „	8,062,241	8,886,372	9,774,656	10,674,572	10,344,956	10,782,156

Interest Receipts in India.

149. The reductions in the receipts in India shown in the Revised Estimate for 1893-94 and in the Budget Estimate for 1894-95, are caused by the repayment by the Bombay Port Trust of a loan of Rx. 616,100 on 1st April 1893 and by the Bombay Municipality of a loan of Rx. 420,000.

Interest Receipts in England.

The Secretary of State has not had in 1893-94 any large amounts available from his cash balance for temporary investment at interest, and expects that the same will be the case in 1894-95. Hence the reduction in the Sterling Interest receipts.

Interest Expenditure in India.

150. A loan of Rx. 3,500,000 at 3½ per cent. was raised in August-October 1894, at an average price of Rs. 96 3a. 2½p. per cent.; and, on the other hand, the balance, Rx. 1,341,400, of the 4½ per cent. loan was notified for discharge in October. The discount of Rx. 133,000 on the new loan increases the interest charges of 1893-94; and about three months' interest on the new loan is payable in the year.

In 1894-95 a whole year's interest is payable amounting to Rx. 122,500; but, on the other hand, there is a saving of Rx. 60,363 from the discharge of the 4½ per cent. loan.

The interest transferred to the Public Works Debt on account of the new Capital Expenditure on Railways and Canals amounts to Rx. 205,100 in 1893-94 and Rx. 179,200 in 1894-95.

Sterling Interest Charges.

The increases in the Sterling Interest charges in the Revised Estimate for 1893-94 and in the Budget Estimate for 1894-95 are due to the borrowing operations in England, described in paragraphs 181, 182, and 186, below, in the Ways and Means section of this Statement.

Savings Banks Interest Charges.

The interest on Savings Banks Balances has been increasing yearly with the growth of the deposits. The reduction in 1894-95 is caused by the reduction, of which notice was given on 30th December 1893, in the rate of interest from 3¾ per cent. to 3½ per cent. Allowance is also made for the probability that that reduction will cause a diminution in the rate of increase of the Savings Bank Balances.

Other Interest items.

The Interest on Other Obligations, apart from the Savings Bank interest, is a small item which does not vary much, the "other obligations" being in many cases permanent ones.

POST OFFICE, TELEGRAPH, AND MINT.

	Accounts, 1890-91.	Accounts, 1891-92.	Accounts, 1892-93.	1893-94. Budget.	1893-94. Revised.	1894-95, Budget.
POST OFFICE.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue	1,402,503	1,446,355	1,488,875	1,538,800	1,549,700	1,595,000
Expenditure	1,396,744	1,493,359	1,518,545	1,588,300	1,560,200	1,608,100
Net	+5,759	—47,004	—29,670	—49,500	—10,500	—13,100
TELEGRAPH.						
Revenue Accounts:						
Revenue	781,034	919,335	937,743	951,500	960,400	993,800
Expenditure	583,525	643,550	673,039	688,400	695,100	752,600
Net	+197,509	+275,785	+264,704	+263,100	+265,300	+241,200
Capital Expenditure	180,455	195,170	202,034	228,400	219,400	167,000
MINT.						
Revenue	354,152	210,046	310,335	230,500	228,100	67,700
Expenditure	121,888	97,109	112,007	104,200	83,100	68,100
Net	+232,264	+112,037	+198,328	+126,300	+145,000	—400

151. Both

151. Both the receipts and charges of the Post Office and of the Telegraph Department increase from year to year with the development of the Departments. The net financial result in both Departments tends to improve. Post Office and Telegraphs.

152. The position of the Mints has been entirely changed by the enactment in June last of Act VIII of 1893, by which the free coinage of silver was stopped. For the present the Mints are only required for the coinage of small silver and copper. The seignorage receipts accordingly entirely disappear in 1894-95. The expenditure of the Mints shows a diminution in the Budget Estimate of 1894-95 as a consequence of the cessation of the coinage of rupees, but the permanent establishments have not as yet been reduced. Mint.

CIVIL DEPARTMENTS.

	Accounts, 1890-91.	Accounts, 1891-92.	Accounts, 1892-93.	1893-94. Budget.	1893-94. Revised.	1894-95, Budget.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
General Administration:						
India	1,412,299	1,433,423	1,462,538	1,478,600	1,519,600	1,546,000
England	247,346	249,532	255,545	248,300	267,600	252,900
Exchange	80,820	108,362	153,742	155,700	172,300	180,600
Law and Justice:						
Court	2,759,431	2,840,007	2,877,112	2,902,600	2,990,600	3,043,900
Jails	866,460	899,732	918,060	933,600	917,800	960,000
Police	3,859,683	3,868,610	3,873,645	3,960,500	3,876,500	4,043,000
Marine:						
Imperial (*a*)	411,110	470,219	703,088	663,100	613,500	547,600
Provincial	148,147	157,732	154,021	178,500	163,600	150,400
Education	1,371,735	1,424,796	1,437,024	1,515,400	1,468,400	1,545,300
Ecclesiastical	166,005	161,596	168,107	171,500	175,500	186,700
Medical	806,937	884,684	941,642	949,200	971,800	1,005,600
Political	770,541	767,711	842,117	835,700	933,800	984,400
Scientific and Minor Departments	485,747	587,438	473,271	479,300	488,600	512,800
TOTAL Rx.	13,386,261	13,853,842	14,259,912	14,472,000	14,559,600	14,959,200

(*a*) Includes Upper Burma charges.

153. The grant of Exchange Compensation Allowances has added largely to the expenditure in India under all the heads included in this group, as will be seen from the tables in paragraphs 75 and 113. Explanations of increases due to other causes will be found in paragraphs 80, 117, and 118.

MISCELLANEOUS CIVIL CHARGES.

	Accounts, 1890-91.	Accounts, 1891-92.	Accounts, 1892-93.	1893-94. Budget.	1893-94. Revised.	1894-95, Budget.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Territorial and Political Pensions	527,569	557,959	541,592	529,400	513,000	485,000
Civil Furlough and Absentee Allowances	232,747	276,362	334,194	341,000	330,100	357,600
Superannuation Allowances and Pensions	3,051,541	3,324,109	3,781,006	3,789,300	3,824,300	3,984,500
Stationery and Printing	592,436	602,885	647,973	635,100	689,600	679,800
Miscellaneous	274,223	285,307	233,075	243,300	262,100	247,100
TOTAL Rx.	4,678,516	5,046,622	5,537,840	5,536,100	5,619,100	5,754,000

154. The expenditure on political pensions tends to decrease with the death of the old pensioners, as the additions made to the list are now small. The death of the Maharajah Duleep Sing causes the larger portion of the reduction in 1894-95.

155. The expenditure on civil furlough and absentee allowances would be fairly stationary, but for the decision to pay those allowances in England at the favourable rate of exchange of 1*s.* 6*d.*; this causes an increase to the charges with every fall in the market rate of exchange.

156. The expenditure on superannuation allowances is increasing from year to year. The pension list has not yet reached its maximum limit: and the cost of pensions paid in England increases with the fall in exchange, all pensions paid there being now practically fixed in sterling, in consequence of the concession of a fixed rate of conversion of 1*s.* 9*d.* the rupee for pensions fixed nominally in rupees.

157. The stationery and printing charges increase from year to year owing to the yearly increasing amount and complexity of public business.

Famine Relief and Insurance.

	Accounts, 1890-91.	Accounts, 1891-92.	Accounts, 1892-93.	1893-94. Budget.	1893-94. Revised.	1894-95, Budget.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Famine Relief - - - -	5,579	23,423	70,841	40,500	2,800	10,000
Construction of Protective Railways - - - - - -	-	484,795	984,469	1,054,300	1,079,700	-
Construction of Protective Irrigation Works - - -	74,392	77,931	60,793	65,000	55,800	45,000
Reduction of Debt - - -	520,029	682,170	-	-	-	-
Total - - -	600,000	1,268,319	1,116,103	1,159,800	1,138,300	55,000
Net Charge on account of the Bengal-Nagpur and the Indian Midland Railways shown in the Railway Revenue Account	482,351	231,681	383,897	340,200	361,700	368,800
Total Expenditure chargeable to the Famine Grant - -	1,082,351	1,500,000	1,500,000	1,500,000	1,500,000	423,800

158. But little expenditure on direct famine relief has been necessary this, or is anticipated next, year.

159. As explained in Part I, the financial necessities have compelled the stoppage of expenditure on railways from the famine grant. For the same reason, the expenditure on protective irrigation works has also been restricted to the amounts required to carry on works already begun.

Railway Revenue Account.

160. The following table exhibits the main features of the railway revenue account from 1890-91:—

	Accounts, 1890-91.	Accounts, 1891-92.	Accounts, 1892-93.	1893-94. Budget.	1893-94. Revised.	1894-95. Budget.
State Railways:—	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Gross Receipts	13,703,224	16,411,934	15,814,807	16,291,500	16,775,300	16,930,900
Working Expenses	6,771,940	8,214,480	7,944,868	8,087,500	8,259,100	8,401,800
Interest and other Charges—						
India	2,876,517	3,012,015	3,180,215	3,353,300	3,359,700	3,513,200
England	3,348,077	3,539,017	3,578,193	3,593,500	3,589,400	3,584,900
Exchange	1,093,987	1,536,862	2,152,731	2,253,500	2,311,000	2,560,700
Net Result	—387,297	+109,560	—1,041,200	—996,300	—743,900	—1,120,700
Guaranteed Railways:—						
Net Traffic Receipts	3,501,274	3,493,118	3,244,413	3,235,000	3,397,500	3,445,500
Surplus Profits, Interest, and other Charges—						
India	523,919	794,087	614,020	615,800	608,200	655,200
England	2,354,130	2,114,159	2,145,297	2,154,900	2,154,700	2,154,500
Exchange	769,214	918,100	1,290,665	1,351,400	1,387,300	1,588,500
Net Result	—145,989	—333,228	—805,569	—887,100	—752,700	—903,100
Other Receipts	31,480	32,994	17,883	25,200	33,700	23,000
Other Charges	185,485	125,190	18,166	135,900	134,100	129,400
Statistics:—						
State Railways—						
Capital Expenditure to March 31st:—						
Expenditure by Government	101,921,269	105,398,957	110,202,733	114,051,857	114,307,233	117,781,633
Expenditure by Companies	21,793,709	22,709,508	23,513,080	25,223,208	24,334,780	25,236,280
Total	123,714,978	128,108,465	133,715,813	139,275,065	138,642,013	143,017,913
Miles open on 1st April	11,055	12,757	13,106	13,506	13,433	13,893
Guaranteed Railways—						
Miles open on 1st April	3,243	2,588	2,588	2,588	2,587	2,587

161. The gross traffic receipts from State Railways are now expected to exceed the Budget Estimate in the current year by Rx. 483,800, while the working expenses are increased by Rx. 171,600, the net improvement being Rx. 312,200. State Railways, 1893-94.

The Budget Estimate was prepared for an increase of Rx. 476,700 over the Actuals of 1892-93, while the improvement now expected in the gross traffic receipts of 1893-94 over the Actuals of 1892-93 is Rx. 960,500.

The Railways named below contribute the increases, as compared with the Budget Estimate, noted against them:—

	Increase. Rx.
East Indian	170,000
Rajputana-Malwa	70,000
Eastern Bengal	80,000
North Western	180,000
Southern Mahratta	70,000
Oudh and Rohilkhand	15,000

These good results are due to an increase in coaching traffic, owing partly to the *Magh Mela* at Allahabad, and to improvement in jute, wheat, seeds, and coal traffic. These increases are to a certain extent absorbed by a fall in the receipts from other Railways, of which the undernoted are the most important:—

	Decrease. Rx.
South Indian	40,000
Burma	87,500
Indian Midland	12,500

These decreases are the results of a falling-off in the goods traffic, owing to unfavourable crops and to dull markets.

Guaranteed Railways, 1893–94.

162. The gross receipts of the Madras Railway and the Bombay Baroda and Central India Railway show improvements of Rx. 85,000 and Rx. 115,000 respectively, but indications are not wanting of a falling-off upon the first-named Railway. The Great Indian Peninsula showed a considerable falling off in the earlier months of this year, but has been doing better lately. The net traffic receipts expected from the three Railways are Rx. 153,100 better than the Actuals of 1892–93, and Rx. 162,500 better than Budget Estimate of 1893–94.

State Railways, 1894–95.

163. The gross receipts of State Railways are estimated for 1894–95 at Rx. 164,600 in excess, and the net traffic receipts at Rx. 21,900 in excess, of the Revised Estimate of 1893–94. These very moderate additions are fully justified by increased mileage. It is not considered safe to anticipate the larger revenue which several of the lines are bringing this year. The estimates of the East Indian Railway, the Eastern Bengal Railway, and the North-Western Railway, are all placed below the receipts expected in 1893-94. The large deterioration in the "net result" shown in the table in paragraph 160 is caused by the addition of interest charges in India and by the increase in the charge for Exchange on interest and annuities paid in England.

Guaranteed Railways, 1894–95.

164. The net traffic receipts of the three Guaranteed Railways are placed at Rx. 48,000 in excess of the Revised Estimate, and Rx. 201,100 in excess of the Actuals of 1892-93. The Madras line is not expected to do better than in the present year, and it has not been thought prudent to calculate upon a repetition in 1894-95 of the most favourable results attained by the Bombay Baroda and Central India in the current year. On the other hand, an improvement of Rx. 85,000 is expected on the Great Indian Peninsula Railway, on which the depression in 1893-94 has been abnormal.

IRRIGATION.

	Accounts, 1890–91.	Accounts, 1891–92.	Accounts, 1892–93.	1893–94. Budget.	1893–94. Revised.	1894–95, Budget.
MAJOR WORKS.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue:						
Direct Receipts	1,284,683	1,404,737	1,510,730	1,323,700	1,333,600	1,391,600
Land Revenue	708,996	673,189	722,306	815,600	792,000	868,500
Expenditure:						
Working Expenses	758,413	761,445	793,951	776,100	771,700	769,200
Interest	1,081,439	1,109,678	1,138,386	1,168,300	1,165,800	1,193,500
Net	+153,827	+206,803	+300,699	+194,900	+188,100	+297,400
MINOR WORKS.						
Receipts	178,899	194,114	185,866	198,400	194,000	203,700
Expenditure	902,276	1,073,896	1,008,142	915,700	918,800	946,700
STATISTICS OF MAJOR WORKS.						
Capital Outlay to March	27,487,656	28,320,703	28,923,097	29,791,603	29,693,098	30,308,898

The

165. The Revised Estimate of receipts is Rx. 18,100 below the Budget Estimate of 1893-94. This small decrease is the result of very considerable variations. A reduction of Rx. 20,000 occurs in the Punjab owing to restriction of irrigation due to abundant rainfall, while the North-Western Provinces contribute an excess of Rx. 25,200 owing to under-estimate of income from flow-irrigation and a general under-estimate of the revenue. Bengal also shows an improvement of Rx. 5,000. The share of land revenue is increased by Rx. 15,400 in the Punjab on the Bari Doab Canal, but it is decreased by Rx. 39,200 in Madras, owing to an increase budgeted for not having been realised on account of the late date on which orders were issued in connection with the new settlement in the Tanjore district. Irrigation, 1893-94.

166. The irrigation revenue is expected in 1894-95 to exceed the Revised Estimate of 1893-94 by Rx. 144,200. Irrigation, 1894-95.

This improvement falls under—

	Imperial.	Provincial and Local.	Total.
Direct Receipts—	Rx.	Rx.	Rx.
Major Works	83,000	—25,000	58,000
Minor Works	6,400	3,300	9,700
Share of Land Revenue—			
Major Works	76,500	—	76,500
Total	165,900	—21,700	144,200

The Imperial share of the improvement under direct receipts from major works is Rx. 83,000, and is mainly due to an increase of Rx. 80,900 in the Punjab. The estimated increase of Rx. 76,500 under share of land revenue is due chiefly to the introduction of the new settlement in the Tanjore district of the Madras Presidency.

167. The financial results obtained from irrigation works for which Capital and Revenue Accounts are kept, during the years 1891-92 and 1892-93, are given below :— Financial Results in 1891-92 and 1892-93 of Irrigation Works for which Capital Accounts are kept.

	1891-92.	1892-93.
Major Works :	Rx.	Rx.
Capital Outlay—		
Direct and Indirect { During the year	859,239	614,290
Direct and Indirect { To end of year	29,636,329	30,250,620
Revenue Account—		
Gross Revenue	2,109,363	2,268,054
Maintenance and Working	840,994	880,694
Net Revenue	1,268,369	1,387,360
Interest	1,109,673	1,138,382
Net Profit	158,696	248,978
Percentage of net Revenue of the year on the Capital Outlay to end of the year	4·28	4·59
Minor Works :		
Capital Outlay—		
Direct and Indirect { During the year	75,333	99,452
Direct and Indirect { To end of year	4,636,651	4,736,103
Revenue Account—		
Gross Revenue	534,192	481,567
Maintenance and Working	316,249	252,643
Net Revenue	217,943	228,924
Percentage of net Revenue of the year on the Capital Outlay to end of the year	4·70	4·83

The figures in this Table are taken from the administrative accounts. On Minor Works interest on the Capital Outlay is not charged, as the Capital expenditure is incurred from Revenue.

Buildings and Roads.

	Accounts, 1890-91.	Accounts, 1891-92.	Accounts, 1892-93.	1893-94.		1894-95.
				Budget.	Revised.	Budget.
Military Works:	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
In Upper Burma - -	141,524	152,182	169,437	150,000	150,000	100,000
Elsewhere - - -	1,079,152	1,062,336	1,027,362	1,049,700	1,041,000	906,800
Deduct receipts - -	44,045	49,794	45,274	42,700	40,900	46,800
Net - - -	1,176,631	1,164,724	1,151,525	1,157,000	1,144,100	960,000
Civil Works:						
Imperial—						
Expenditure - - -	721,860	881,358	772,731	837,600	844,700	661,100
Receipts - - - -	47,223	50,807	56,438	59,400	56,500	55,800
Provincial—						
Expenditure - - -	2,188,276	2,461,115	2,162,357	2,280,600	2,162,400	2,026,000
Receipts - - - -	308,201	271,319	285,329	268,900	282,200	266,200
Local—						
Expenditure - - -	1,600,095	1,651,761	1,714,593	1,772,700	1,742,200	1,795,200
Receipts - - - -	249,820	255,204	266,147	252,900	268,400	260,400

168. The Budget Estimates for 1894-95 for imperial and provincial Expenditure show large reductions as compared with the Budget Estimates of 1893-94, which are necessary owing to the present financial position. The reductions are :—

	Rx.
Military Works - - - - - -	192,900
Imperial Civil Works - - - -	176,500
Provincial Civil Works - - - -	254,600

Full details of the proposed appropriation of the outlay provided for in the Provincial Civil Works Estimates are not available at present, but the distribution of the expenditure in the Accounts of the past two years and the Budget Estimate of the current year is given below :—

	Actuals, 1891-92.	Actuals, 1892-93.	Budget, 1893-94.
	Rx.	Rx.	Rx.
Erection of new buildings - - - -	739,312	631,276	688,832
Construction of roads - - - -	287,676	230,421	245,044
Works of public improvement - - -	176,099	93,331	85,035
Repairs of buildings - - - - -	191,346	167,192	183,067
Repairs of roads - - - - -	473,929	461,645	474,727
Repairs of works of public improvement -	26,244	27,085	30,143
Establishment - - - - - -	453,075	482,943	489,389
Tools and plant - - - - -	28,004	42,106	34,574
Suspense - - - - - - -	32,071	—2,804	14,000
Miscellaneous expenditure by Civil officers in charge of Public Works - - -	53,359	29,162	35,789
Total - - -	2,461,115	2,162,357	2,280,600

Army Services.

	Accounts, 1890-91.	Accounts, 1891-92.	Accounts, 1892-93.	1893-94. Budget.	1893-94. Revised.	1894-95. Budget.
Effective Services.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Regimental Pay and allowances:						
India	7,212,677	7,081,404	7,327,119	7,635,400	7,834,200	7,864,500
England	1,062,587	1,018,679	1,327,172	1,130,000	1,337,100	1,313,900
Exchange	347,201	442,374	798,460	708,700	860,900	938,500
Total	8,622,465	8,542,517	9,452,751	9,474,100	10,032,200	10,116,900
Less—Receipts	19,083	16,586	14,155	16,000	15,100	12,300
Net	8,603,382	8,525,931	9,438,596	9,458,100	10,017,100	10,104,600
Commissariat:						
India	3,068,452	3,681,012	3,664,059	3,383,100	3,464,400	3,585,000
England	52,772	47,266	42,567	34,500	31,800	22,100
Exchange	17,243	20,526	25,610	21,600	20,500	15,800
Total	3,138,467	3,748,804	3,732,236	3,439,200	3,516,700	3,622,900
Less—Receipts	435,315	373,355	412,173	408,200	428,300	432,000
Net	2,703,152	3,375,449	3,320,063	3,031,000	3,088,400	3,190,900
Ordnance:						
India	715,984	724,316	790,195	902,100	818,900	912,200
England	728,274	841,464	593,772	543,000	555,000	448,500
Exchange	237,964	365,416	357,228	340,500	357,300	320,400
Total	1,682,222	1,931,196	1,741,195	1,785,600	1,731,200	1,681,100
Less—Receipts	90,760	108,683	114,658	98,200	83,000	94,100
Net	1,591,462	1,822,513	1,626,537	1,687,400	1,648,200	1,587,000
Other Heads:						
Expenditure	3,504,367	4,034,978	3,736,616	3,702,700	3,453,600	3,386,200
Receipts	176,023	205,578	243,463	171,200	212,500	183,800
Net	3,328,344	3,829,400	3,493,153	3,531,500	3,241,100	3,202,400
Non-effective Services:						
India	962,165	940,775	931,156	943,300	929,500	923,200
England	2,095,632	2,149,070	2,388,297	2,253,400	2,281,600	2,350,500
Exchange	684,750	933,261	1,436,860	1,413,100	1,469,000	1,678,900
Total	3,742,547	4,023,106	4,756,313	4,609,800	4,680,100	4,952,600
Less—Receipts	64,454	76,202	79,871	75,500	86,500	87,500
Net	3,678,093	3,946,904	4,676,442	4,534,300	4,593,600	4,865,100
Grand Total:						
India	14,799,128	15,741,062	15,589,091	15,693,500	16,011,800	16,169,200
England	4,440,125	4,559,513	4,888,796	4,497,500	4,502,900	4,427,300
Exchange	1,450,815	1,980,026	2,941,224	2,820,400	2,899,100	3,162,700
Total	20,690,068	22,280,601	23,419,111	23,011,400	23,413,800	23,759,700
Less—Receipts	785,635	780,404	864,320	769,100	825,400	809,700
Net	19,904,433	21,500,197	22,554,791	22,242,300	22,588,400	22,950,000

169. The expenditure in India continues to increase. Generally speaking, the causes may be said to be—the fall in the rate of Exchange, which affects the amount of pay given to British troops in India, and the percentage of pay granted as Exchange compensation; the increase in the number of volunteers; the greater cost of ammunition and appliances manufactured in India in consequence of the adoption of more elaborate and scientific armaments; the development of local manufactures of all kinds whereby the home charges have been reduced at the expense of the Indian Estimates; the occupation of Gilgit; and the increase in the price of food supplies in India.

The expenditure in England shows promise of reduction. Exceptionally heavy outlay on Ordnance stores began in 1887-88, in connection with the arming of British troops with Magazine rifles, with the supply of the new breech-loading field guns to Batteries in India, and with the completion of the mobilization reserves. These measures have now been practically completed.

This reduction in the Home charges is, however, to some extent counterbalanced by the increase in the effective charges due to the grant of deferred pay to the British Army, and by the increase in non-effective charges, namely, the pension charges for British troops who have served in India, and the pay and pension of non-effective and retired officers of the Indian service.

The increase under Exchange is due to the fall in the rate.

Special Defence Works.

Expenditure on Defence Works since their commencement.

170. The following table shows the expenditure on "Special Defence Works":—

	Rx.
To end of 1885–86	150,409
1886–87	325,626
1887–88	456,017
1888–89	789,595
1889–90	689,481
1890–91	491,837
1891–92	604,848
1892–93	458,060
1893–94 Budget Estimate Rx. 536,600; Revised Estimate	342,000
1894–95 Budget „	152,300
	4,460,173

Revised Estimate, 1893-94.

171. The difference of Rx. 194,600 between the Revised and Budget Estimates is due to the expenditure in England on armaments and stores having been over-estimated, and also to a reduced programme of works in India. The Budget Estimate for 1894-95 is less than the Revised Estimate for 1893-94 by Rx. 189,700, owing to the postponement of several works, and to the approaching completion of the supply of stores and armaments for the Aden defence works.

172. The total expenditure on special defence works being estimated at Rx. 5,030,000, if the amounts provided in the Estimates for 1893-94 and 1894-95 are spent, there will remain Rx. 569,827 for expeuditure in 1895-96 and future years.

Section V.—CAPITAL EXPENDITURE ON PUBLIC WORKS NOT CHARGED AGAINST REVENUE.

173. The Capital outlay on Railways and Irrigation Works not charged to Revenue has been for many years limited to an annual sum of Rx. 3,500,000. As it was considered desirable to push on the construction of those useful works at a more rapid rate than that limit allowed, it was decided, when the Famine Grant was restored, that the whole amount available from that grant, after meeting direct Famine Relief Charges and the net charge on account of the Bengal-Nagpur and Indian Midland Railways, should be devoted to the construction of Protective Railways. Accordingly, since 1890-91 the total limit on the annual Capital Expenditure on Railways and Canals has been Rx. 3,500,000, not charged to Revenue, *plus* the amount available from the Famine Grant, usually about Rx. 1,100,000.

In

In June 1892 the Secretary of State authorised the Government of India to increase the annual expenditure not charged to Revenue by Rx. 500,000 above the limit of Rx. 3,500,000, in cases where the Government of India are satisfied that the money can without inconvenience be supplied to enable Companies to undertake new lines of railway and extensions.

In 1894-95, as already explained, the financial necessities require the temporary suspension of the Famine Grant. The ordinary programme for Capital Expenditure has therefore had to be restricted to Rx. 3,500,000. The additional Rx. 500,000 provisionally sanctioned by the Secretary of State in June 1892 has also been entered in the Estimates in case it may be required for expenditure by companies, and this provision brings the total estimate of the expenditure not charged to Revenue up to Rx. 4,000,000.

48.—STATE RAILWAYS—CONSTRUCTION.

174. The Budget grant for 1892-93 amounted to Rx. 4,615,000 as under:— 1892-93

	Rx.
Normal amount provided under "Not charged to Revenue" -	3,500,000
Deduct,—	
Provision for Irrigation Works - - - - - - - - -	550,000
Leaving for Railways - - -	2,950,000
Add,—	
For Bareilly-Rampur-Moradabad Railway - - - - -	375,000
For Jherria Extension of East Indian Railway - - - -	160,000
Total under 48 -	3,485,000
Provided under 34 -	1,011,700
„ „ 37 -	118,300
	4,615,000

175. The Revised Estimate for that year provided for a total expenditure of Rx. 4,589,100, against which the actual expenditure incurred amounted to Rx. 4,640,893, thus exceeding the Revised Estimate by Rx. 51,793, and the Budget provision by Rx. 25,893.

The details are:—

	Revised.	Actuals.
	Rx.	Rx.
48. State Railways—Construction - - - -	3,436,700	3,455,199
34. Construction of Protective Railways - - - -	993,900	984,469
37. Construction of Railways (charged against Revenue in addition to that under Famine Insurance) -	158,500	201,225
TOTAL - - -	4,589,100	4,640,893

176. The amounts provided for Railway Construction in the Estimates are as follows:— Revised Estimate, 1893-94, and Budget Estimate, 1894-95.

	Budget, 1893-94.	Revised, 1893-94.	Budget, 1894-95.
	Rx.	Rx.	Rx.
34. Construction of Protective Railways -	1,054,300	1,079,700	—
48. State Railways—Construction - -	2,800,000	2,947,700	3,450,000
TOTAL - - -	3,854,300	4,027,400	3,450,000

 177. The

177. The distribution of the amounts of the Revised Estimate for 1893-94, and of the Budget Estimate for 1894-95, is as follows:—

	Revised, 1893-94.	Budget, 1894-95.
EXPENDITURE BY STATE AGENCY.	Rx.	Rx.
Open Lines:		
North Western	220,400	220,000
Oudh and Rohilkhand	48,520	74,300
Eastern Bengal	109,400	90,000
Burma	62,240	40,000
Warora Colliery	10,660	25,000
Umaria Colliery	—4,370	4,400
Frontier Railway Reserve Material	13,690	700
Petroleum Operations	100	—
Nagpur-Chhatisgurh Depreciation Account	—600	—
TOTAL	460,040	454,400
Lines under Construction:		
East Coast	996,800	760,000
Mu Valley	289,140	300,000
Lucknow-Rae Bareli	84,330	10,000
Bareilly-Rampur-Moradabad	386,550	138,600
Gradient Improvements on North Western	143,700	50,000
Mari-Attock	82,600	50,000
Mushkaf-Bolan	516,180	500,000
TOTAL	2,499,300	1,808,600
TOTAL STATE AGENCY	2,959,340	2,263,000
EXPENDITURE BY AGENCY OF COMPANIES.		
Open Lines:		
East Indian, including Jherria Extension	541,100	240,000
Rajputana-Malwa System	50,400	97,000
Palanpur-Deesa	9,800	3,000
Tirhoot	18,300	80,000
Bhopal	22,500	14,000
Wardha Coal	-	2,000
Dhond and Manmad	10,700	13,000
South Indian	72,500	60,000
Guntakal-Hindupur	10,400	5,000
Bezvada Extension	500	1,000
TOTAL	736,200	515,000
Lines under Construction:		
Godhra-Rutlam	428,000	132,000
Assam-Bengal (land)	80,000	40,000
TOTAL	508,000	172,000
TOTAL COMPANY'S AGENCY	1,244,200	687,000
TOTAL ALLOTMENTS	4,203,540	2,950,000
Deduct,—Lapses anticipated	112,900	—
Decrease in Stores Balance	4,090,640	—
Amount held in reserve for outlay through Companies	63,240	500,000
TOTAL GRANT	4,027,400	3,450,000

49.—Irrigation.

178. The figures of Accounts and Estimates for Capital Expenditure on Irrigation Works not charged to Revenue are—

Accounts, 1890-91.	Accounts, 1891-92.	Accounts, 1892-93.	1893-94.		Budget, 1894-95.
			Budget.	Revised.	
Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
483,849	729,664	531,091	750,000	695,400	550,000

The difference of Rx. 54,600 between the Revised and Budget Estimates represents the amount transferred to the grant under 48—State Railways. The decrease in the provision for the ensuing year is due to the restricted programme of expenditure necessitated by the existing financial pressure.

Section VI.—WAYS AND MEANS.—HOME TREASURY.

179. The Budget and Revised Estimates for 1893-94 and the Budget Estimate for 1894-95 of the transactions of the Home Treasury are as follow:—

	Budget, 1893-94.	Revised, 1893-94.	Budget, 1894-95.
Receipts.	£.	£.	£.
Council Bills	18,700,000	9,400,000	17,000,000
Permanent Debt incurred	1,300,000	2,686,000	—
Temporary Debt incurred, net	—	6,000,000	2,300,000
Capital Receipts from Railway Companies	1,420,000	97,800	1,915,000
Deposits and Advances, net	2,200	3,600	—800
Add—Opening Balance	2,602,826	2,268,388	959,988
Total £.	24,025,026	20,455,788	22,174,188
Outgoings.			
Excess of Expenditure over Revenue	15,650,300	15,721,900	15,657,100
Expenditure not charged to Revenue	1,160,600	796,000	865,000
Permanent Debt discharged—			
Oudh and Rohilkhand Railway Debentures	729,000	729,000	—
South Indian Railway Debentures	520,200	520,200	—
India 5 per cent. and 4 per cent. Stock	—	2,100	—
Issues to Railway Companies on Capital Account.	2,609,200	778,600	2,826,400
On account of Remittances from India, net	1,383,200	948,000	1,114,200
Add—Closing Balance	1,972,526	959,988	1,711,488
Total £.	24,025,026	20,455,788	22,174,188

180. The

1893–94. Council Bills.

180. The most important event affecting the Ways and Means of the year was the failure for a time to sell bills on India after the closure of the Indian mints, with effect from 26th June 1893, to the free coinage of silver. It is now estimated that the total drawings of the Secretary of State in 1893–94 will be 9,400,000*l.*, against 18,700,000*l.* entered in the Budget Estimate. The deficiency is met (1) by temporary loans to the extent of a net sum of 6,000,000*l.*; (2) by the issue of India 3¼ per cent. debentures for 1,386,000*l.*; (3) by a reduction in the cash balances of 1,012,538*l.*; and (4) by reduced payments on account of Expenditure not charged to Revenue, of family remittances of officers from India, and of issues to Railway Companies.

1893-94. Permanent Sterling Debt.

181. It was stated in paragraph 93 of the last Financial Statement that a 3 per cent. sterling loan of 1,300,000*l.* would be raised in 1893-94 for the discharge of Oudh and Rohilkhand and South Indian Railway Debentures and for advances to Railway Companies. This loan was raised at an average price of 98*l.* 17*s.* 3*d.* per cent.

In addition to the above loan, the Secretary of State issued, in September 1893, 1,386,000*l.* India 3¼ per cent. debentures repayable after five years in 1898. This issue was required to meet to some extent the demands on the Home Treasury during the period in which the Council Bills were not sold.

1893-94. Temporary Sterling Loans.

182. It has already been mentioned that the failure of Council Bills for a time necessitated the provision of funds in England by temporary loans in 1893-94. The entries in the Revised Estimate on this account are as follow:—

	£.
Temporary Debt incurred—	
Loans on security of India Bills - - - -	6,000,000
Loans on security of East India Bonds - - -	4,750,000
TOTAL - - -	10,750,000
Temporary Debt discharged—	
Loans on security of East India Bonds - - -	4,750,000
NET - - -	£. 6,000,000

The India Bills have a currency of six months only, and were raised—

(1) 2,000,000*l.* in November 1893, at an average rate of interest of 2*l.* 16*s.* 7*d.* per cent. per annum;

(2) 1,500,000*l.* in December at 2*l.* 12*s.* 3*d.* per cent.; and

(3) 2,500,000*l.* in February at 2*l.* 7*s.* 7*d.* per cent.

The loans on the security of East India Bonds were raised from time to time according to the requirements of the Home Treasury, and have been discharged with funds obtained by the issue of India Bills.

1893-94. Payments to Railway Companies.

183. The net payments to Railway Companies will be less by 508,400*l.* than taken in the Budget Estimate. Most of the reduction occurs in the issue of funds for Stores and Establishment charges. The estimates of these issues are based on information supplied by the companies, and generally prove too high.

1893-94. Deposits and Advances.

184. The net receipts on account of "Deposits and Advances" are now expected to exceed the Budget Estimate, owing to smaller advances having been made on account of Expenditure in England on Defence Works at Aden recoverable from the Imperial Government.

1893-94. Remittances from India.

185. The reduction in the net payments on account of remittances is caused by (1) the abolition in August 1893, when Exchange Compensation Allowances were granted, of the system under which Military and some other officers were allowed to make family remittances through the Government Account;

Account; (2) the payments for railway stores having been less than the estimate; and (3) considerable repayments by Her Majesty's Treasury and other Public Departments in respect of advances or services in India.

186. Provision is made in 1894-95 for a net payment to Railway Companies of their Deposits of 911,400*l.*, and for other net disbursements, excluding Loans and Council Bills, of 17,637,100*l.* 1894-95. Home Treasury.

It will be seen that the present intention of the Secretary of State is to draw, in 1894-95, 17,000,000*l.* by bills on India, and to borrow by temporary loans a net sum of 2,300,000*l.*, partly to meet the net disbursements, and partly to replenish the Home Treasury balances which have been reduced considerably below the normal amount in the current year. 1894-95. Ways and Means.

The gross amount of the temporary loans is entered at 8,300,000*l.*; but provision is made for the repayment of the outstanding balance of those loans raised in 1893-94, namely, 6,000,000*l.*

It should be understood that, in stating the present intentions of the Secretary of State, no sort of pledge is given that he will adhere to the programme.

INDIA.

187. The following is a summary of the Estimate of Ways and Means in India:— Ways and Means in India.

	1893-94.		1894-95.
	Budget.	Revised.	Budget.
RECEIPTS.	Rx.	Rx.	Rx.
1. Excess of Revenue in India over the Expenditure charged against it	23,869,800	24,051,400	26,538,900
2. Public Loan	3,000,000	3,499,100	—
3. Loan from Rampur State	220,000	220,000	—
4. Increase of the Unfunded Debt, mostly Savings Banks Deposits, net	882,200	598,400	490,500
5. Other items, net	700,500	1,138,100	885,100
6. *For Remittance to Secretary of State, net*	1,374,200	882,700	1,107,000
Add—Opening Balance	15,204,205	15,271,756	26,251,756
TOTAL	45,250,905	45,661,456	55,273,256
OUTGOINGS.			
7. Excess Expenditure charged to Provincial Balances	751,200	478,800	1,184,400
8. Expenditure not charged to Revenue	1,661,600	2,334,600	2,517,100
9. Rupee Loan discharged	5,000	1,101,000	151,000
10. Loans to Municipalities, &c., net	— 288,200	— 858,300	491,100
11. *Issues on Capital Account to Railway Companies, net*	376,400	152,800	102,500
12. Council Bills—*Sterling Amount*	18,522,100	9,857,500	17,000,000
13. Do. Exchange	11,579,700	6,343,300	12,142,900
Add—Closing Balance	12,643,105	26,251,756	21,684,256
TOTAL	45,250,905	45,661,456	55,273,256

The headings in italics are connected with, and explained by, the corresponding figures of the Secretary of State's account in England. The others refer to purely Indian transactions.

188. It has been explained in Part I. of this Statement that the failure to sell Council Bills for a time has led to a large accumulation of cash balances in India. 1893-94. Main Features.

India. It is now expected that the balance in the Indian Treasuries on 31st March 1894 will be Rx. 26,251,756, against Rx. 12,643,105 taken in the Budget Estimate. The increase of Rx. 13,608,651 is fully explained by the smaller payments of Council Bills, which, with exchange, are entered in the Revised Estimate at Rx. 16,200,800, against Rx. 30,101,800 taken in the Budget Estimate. The other noticeable features in the Ways and Means of this year are (1) an increase of Rx. 500,000* in the 3½ per cent. Public Loan of the year; (2) the repayment of the greater part—Rx. 1,100,000—of the outstanding balance of the 4½ per cent. loans; (3) an unanticipated receipt from the Bombay Municipality of Rx. 420,600, the amount of the balance of its loan due to Government; (4) a reduction of Rx. 283,800 under "Unfunded Debt"; this is due to the growth of the Savings Banks balance being less than anticipated, a result of the notice of reduction in the rate of interest from 1st April 1894; and (5) a reduction in the receipts for remittances to England owing to the discontinuance of family remittances through Government of military and other officers.

1893-94. New 3½ per Cent. Loan of Rx. 3,500,000.

189. By Notification, No. 2984, published in the "Gazette of India Extraordinary" of 14th July 1893, tenders were invited for a Public Loan of Rx. 3,500,000 at a rate of interest of 3½ per cent. per annum. The tenders received were opened simultaneously at Calcutta, Madras, and Bombay, on the 15th August 1893. The average rate of issue was Rs. 96 3a 2½p. per cent.

In the Budget Statement of last year the probable amount of the loan in the year was stated as three crores. It was subsequently decided to discharge the outstanding balance of the 4½ per cent. loans, which matured on 15th September 1893, amounting to about 134 lakhs. This necessitated an increase in the amount of the new loan. An improvement in the cash balances, due to the repayment to the Government by the Bombay Municipality of a loan of 42 lakhs, and to other causes, rendered it possible to restrict the increase to 50 lakhs. It was considered that the credit of the Indian Government now stands sufficiently high to justify the offer of 3½ per cent. only on the new loan instead of 4 per cent., the rate at which the Government of India has borrowed in India for many years. The quoted market price of the 3½ per cent. paper is now above par.

Discharge of 4½ per Cent. Loans.

190. Simultaneously with the issue of the Notification inviting tenders for the new 3½ per cent. loan of 1893-94, the balance of the 4½ per cent. loans of 1878 and 1879 (except the 7 shillings per cent. portion) was notified for discharge on 14th October 1893, by Notification No. 2985, dated 14th July 1893. An option was given to pay in 4½ per cent. Notes the amounts due on tenders for the new loan. It is now expected that the total payments in discharge of the 4½ per cent. loans will be Rx. 1,100,000 in the current year and Rx. 150,000 in 1894-95, and the Estimates have been prepared accordingly.

1894-95. Main Features.

191. The Budget Estimate of 1894-95 provides for the payment of Council Bills for 17,000,000*l.* Though the sterling amount is less than the Budget Estimate of 1893-94 by 1,700,000*l.*, equivalent at 1*s.* 2*d.* the rupee to Rx. 2,914,300, the decrease in the rupee payments will be only Rx. 958,900.

Owing to the large accumulation of cash balances, it will not be necessary to raise any loan in India in 1894-95; but, on the other hand, provision has been made to meet in full the demands of Local Governments and Administrations for advances to Municipalities and Local Bodies, and also to meet an expenditure of Rx. 500,000 on Railway Construction in excess of the ordinary limit of Rx. 3,500,000 fixed for such expenditure from loans and balances.

Public Loan.

192. Though it has above been stated that it is not the present intention of the Government of India to raise any loan in 1894-95, yet full liberty is reserved, as usual, to alter the programme now announced to any extent that may be considered desirable.

193. The

* The amount entered in the statement in paragraph 187 is Rx. 499,100; the difference of Rx. 900 is due to a tenderer for that amount having failed to take up his allotment.

193. The following are the details of the transactions of Savings Banks during the last few years: — Savings Banks.

Year.	Net Additions to deposits cash.	Interest.	Total Addition.
	Rx.	Rx.	Rx.
1887-88	656,300	224,000	880,300
1888-89	685,200	261,800	947,000
1889-90	—362,900	272,200	—90,700
1890-91	250,700	279,700	530,400
1891-92	517,900	306,200	824,100
1892-93	548,900	339,400	888,300
1893-94 Budget	438,600	372,400	811,000
1893-94 Revised	203,500	366,800	570,300
1894-95 Budget	111,400	325,800	437,200

The Post Office Savings Banks deposits would have shown the usual progressive increase, but for the notice given of the reduction of the rate of interest from 3¾ to 3½ per cent. with effect from the 1st of April next. The withdrawals this year have been heavy since the issue of the notification on 30th December, and only a small net receipt is estimated for next year.

194. The *minus* figure under the head of Loans to Municipalities in the table in paragraph 187 is due to certain large repayments made during the year. It was stated in paragraph 100 of the last Financial Statement, that the Bombay Port Trust took advantage of the favourable state of the money market to raise a 4 per cent. loan, to repay Government in 1893-94 the balance of a 4½ per cent. loan of Rx. 616,100. A similar application from the Bombay Municipality for the repayment of a balance of about 42 lakhs was granted in the course of the year. The gross amount placed at the disposal of Local Governments for advances to Local Bodies, &c., in 1894-95 is Rx. 833,700, while the similar allotments for the two preceding years were Rx. 608,200 in 1893-94, and Rx. 662,900 in 1892-93. It was necessary in the previous year to curtail the demands of the Local Governments on a consideration of the ways and means of the year, but the present state of the balances has enabled Government to provide for the full amount asked for next year. Loans to Municipalities, &c.

195. The current year is now expected to close with a cash balance of Rx. 26,251,756, and for 1894-95 a closing balance of Rx. 21,684,256 is taken. The estimated transactions of the year thus result in a reduction in the balances by Rx. 4,567,500. Cash Balances.

Section VII.—SUMMARY.

196. The principal features in this Statement are—

(1.) The Accounts of 1892-93 have closed with a deficit of Rx. 833,412.

(2.) The Revised Estimates of 1893-94 show a deficit of Rx. 1,792,800, an amount somewhat in excess of that entered in the Budget Estimate, Rx. 1,595,100. There has been a decrease of Revenue under two important heads, Opium and Salt; but the Revenue generally has shown satisfactory progress, particularly the Railway Revenue. Notwithstanding the grant of Exchange Compensation Allowances, the expenditure of the year on the whole will not differ much from the amount entered in the Budget Estimates. The rate of exchange is taken in the Revised Estimate at 1*s.* 2·6*d.* the rupee, against the Budget rate of 1*s.* 2·75*d.*; this difference increases the direct charge under Exchange by Rx. 265,900.

(3.) A loan of Rx. 3,500,000 at 3½ per cent. interest was raised in India at an average price of Rs. 96 3a. 2½p. per centum. The balance (Rx. 1,341,400) of

of the 4½ per cent. loans was notified for discharge; Rx. 1,100,000 will be paid this year; the whole amount ceased to bear interest from the 14th October 1893.

(4.) The Mints were closed to the free coinage of silver at the end of June 1893. For several months thereafter the Secretary of State was not able to sell Council Bills in any quantities. His drawings during 1893-94 are now estimated at 9,400,000*l.*, while the Budget Estimate was for 18,700,000*l.* It has therefore been necessary to replenish the Home Treasury balances by temporary borrowing. The diminution in the drawings has, at the same time, caused a very large increase in the cash balances in India, which are now expected to amount, on the 31st March 1894, to Rx. 26,251,756, against the Budget Estimate of Rx. 12,643,105.

(5.) The Budget Estimates for 1894-95 show a deficit of Rx. 301,900.

(6.) The deficit with which the Government of India were threatened in 1894-95 was between three crores and three-and-a-half crores of rupees. The measures by which the deficit has been reduced to the amount shown in the Estimates are—

(*a*) stringent economy in expenditure;

(*b*) the temporary suspension of a portion of the Famine Grant, Rx. 1,076,200;

(*c*) contributions from Provincial Governments, amounting to Rx. 405,000; and

(*d*) the imposition of Import Duties estimated to yield in 1894-95 a net return of Rx. 1,140,000.

(7.) Apart from the new taxation, the Revenues are expected to yield a substantial increase in 1894-95. But the Opium Revenue shows a considerable decrease, the net Opium Revenue being taken at Rx. 4,138,300, as compared with the Budget Estimate for 1893-94 of Rx. 5,061,200.

(8.) The rate of exchange is taken at 1*s.* 2*d.* the rupee, as compared with 1*s.* 2¾*d.* in the Budget Estimate of 1893-94, and there is an addition to the direct expenditure under Exchange of Rx. 1,371,500; Exchange Compensation Allowances are estimated to cost in 1894-95 Rx. 1,113,300, of which Rx. 400,400 will be Provincial. In consequence of the sterling borrowing necessitated by the failure to sell Council Bills during a part of 1893-94, the Interest charges in England in 1894-95 will be considerably increased, but other decreases in sterling expenditure nearly counterbalance that increase.

(9.) The Capital Expenditure on Railways and Irrigation Works not charged against Revenue is estimated at Rx. 3,643,100 in 1893-94, and at Rx. 4,000,000 in 1894-95. In 1893-94 there is in addition an expenditure on the Construction of Railways of Rx. 1,079,700 charged to the Famine Grant; expenditure from the Famine Grant on this account will not be incurred in 1894-95.

(10.) It is expected that the Secretary of State will in 1894-95 sell Council Bills to the amount of 17,000,000*l.*, and will raise temporary loans of 8,300,000*l.*, out of which he will use 6,000,000*l.* to repay the temporary loans borrowed in 1893-94. These announcements are accompanied by the usual reservation of entire liberty to the Secretary of State to vary the amounts to be obtained by bills, or raised by loan, as he may find occasion.

(11.) It is estimated that the closing balance in the Treasuries in India on 31st March 1895 will amount to Rx. 21,684,256, and it is accordingly not intended to issue any public loan in India in 1894-95. Full liberty is however reserved to the Government of India to vary this intention in any way and to any extent which may be found expedient.

(12.) The programme embodied in the Budget Estimates of 1894-95 is described as a programme of retrenchment and of vigilance intended to tide the Government over a transition period.

J. Westland.

APPENDIX I.

ACCOUNTS AND ESTIMATES.

ACCOUNTS - - - - - - 1892-93.

REVISED ESTIMATES - - - 1893-94.

BUDGET ESTIMATES - - - 1894-95.

CONTENTS.

	PAGE
General Statement of the Accounts and Estimates of the Revenue and Expenditure, and Receipts and Disbursements of the Government of India, in India and in England	54
A.—Statement of the Revenue of India, in India and in England	56
B.—Statement of the Expenditure chargeable on the Revenues of India, in India and in England	58
C.—Statement of Receipts and Disbursements of the Government of India, in India and in England	62
D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Contracts	64
E.—Statement of Net Revenue and Expenditure, India and England	66

GENERAL STATEMENT of the ACCOUNTS and ESTIMATES of the GOVERNMENT OF INDIA,

	For Details *vide* Statement	RECEIPTS.			
		Accounts, 1892-93.	Budget Estimate, 1893-94.	Revised Estimate, 1893-94.	Budget Estimate, 1894-95.
REVENUE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Principal Heads of Revenue:					
Land Revenue	A.	24,905,328	25,157,200	25,492,300	25,703,600
Opium	–	7,993,180	7,316,200	6,694,400	6,393,600
Salt	–	8,056,104	8,587,800	8,346,200	8,629,200
Stamps	–	4,448,540	4,464,100	4,551,000	4,561,800
Excise	–	5,212,443	5,145,900	5,357,900	5,317,600
Other Heads	–	9,821,780	9,849,300	9,772,400	11,000,300
TOTAL PRINCIPAL HEADS	–	61,007,375	60,490,500	60,214,200	61,606,100
Interest	A.	869,727	893,600	874,000	856,800
Post Office, Telegraph, and Mint	„	2,736,953	2,720,800	2,738,200	2,656,500
Receipts by Civil Departments	„	1,607,876	1,635,500	1,636,100	1,611,700
Miscellaneous	„	876,994	982,900	960,900	982,700
Railways	„	19,077,103	19,551,700	20,206,500	20,408,400
Irrigation	„	2,418,902	2,337,700	2,319,600	2,463,800
Buildings and Roads	„	653,188	623,900	654,000	629,200
Receipts by Military Department	„	864,320	769,100	825,400	809,700
TOTAL REVENUE	–	90,172,438	90,005,700	90,429,500	92,024,900
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net incurred)	C.	—	3,265,800	10,052,800	2,149,000
Unfunded Debt (net incurred)	„	963,902	882,200	598,400	490,500
Deposits and Advances (net)	„	749,274	—	4,576,100	—
Loans and Advances by Imperial Government (net Receipts)	„	—	564,400	1,032,300	1,900
Capital of Railway Companies (net Receipts)	„	692,280	—	—	—
Remittances (net)	„	128,840	—	313,000	—
Secretary of State's Bills drawn	„	16,532,215	18,700,000	9,400,000	17,000,000
TOTAL RECEIPTS	–	109,238,949	113,418,100	116,402,100	111,666,300
Balance on 1st April—India	–	17,287,005	15,204,205	15,271,756	26,251,756
England	–	4,122,626	2,602,826	2,268,388	959,988
GRAND TOTAL	–	130,648,580	131,225,131	133,942,244	138,878,044

Fort William, Finance and Commerce Department,
22 March 1894.

H. G. Cowie,
Deputy Comptroller General.

REVENUE and EXPENDITURE and RECEIPTS and DISBURSEMENTS of the in INDIA and in ENGLAND.

	For Details *vide* Statement	DISBURSEMENTS. Accounts, 1892-93.	Budget Estimate, 1893-94.	Revised Estimate, 1893-94.	Budget Estimate, 1894-95.
EXPENDITURE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Direct Demands on the Revenues	B.	9,461,694	10,387,300	9,961,100	10,662,600
Interest	„	4,374,263	4,065,900	4,432,200	4,611,400
Post Office, Telegraph, and Mint	„	2,505,625	2,609,300	2,557,800	2,595,800
Salaries and Expenses of Civil Departments	„	14,259,912	14,472,000	14,559,600	14,959,200
Miscellaneous Civil Charges	„	5,537,840	5,538,100	5,619,100	5,754,000
Famine Relief and Insurance	„	1,116,103	1,159,800	1,138,300	55,000
Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	„	339,487	75,100	77,100	24,400
Railway Revenue Account	„	20,924,155	21,545,800	21,803,500	22,538,300
Irrigation	„	2,940,479	2,860,100	2,856,300	2,909,400
Buildings and Roads	„	5,846,480	6,090,600	5,940,300	5,489,100
Army Services	„	23,419,111	23,011,400	23,413,800	23,759,700
Special Defence Works	„	458,060	536,600	342,000	152,300
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL	–	91,183,209	92,352,000	92,701,100	93,511,200
Add—Provincial Surpluses: that is, portion of Allotments to Provincial Governments not spent by them in the year	End of B.	103,250	—	116,400	—
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances	„	— 280,609	— 751,200	— 595,200	— 1,184,400
TOTAL EXPENDITURE charged against REVENUE	–	91,005,850	91,600,800	92,222,300	92,326,800
EXPENDITURE NOT CHARGED TO REVENUE:					
Capital Outlay on Railways and Irrigation Works	End of B.	3,986,290	3,550,000	3,643,100	4,000,000
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net Discharged)	C.	376,405	—	—	—
Deposits and Advances (net)	„	—	1,085,800	—	641,400
Loans and Advances by Imperial Government (net Advances)	„	356,268	—	—	—
Loans and Advances by Provincial Governments	„	493,340	276,200	174,000	493,000
Capital of Railway Companies (net Payments)	„	—	1,565,600	833,600	1,013,900
Remittances (net)	„	—	9,000	—	7,200
Secretary of State's Bills paid	„	16,890,283	18,522,100	9,857,500	17,000,000
TOTAL DISBURSEMENTS	–	113,108,436	116,609,500	106,730,500	115,482,300
Balance on 31st March—India	–	15,271,756	12,643,105	26,251,756	21,684,256
England	–	2,268,388	1,972,526	959,988	1,711,488
GRAND TOTAL	–	130,648,580	131,225,131	133,942,244	138,878,044

	Rx.	*Rx.*	*Rx.*	*Rx.*
Revenue	90,172,438	90,005,700	90,429,500	92,024,900
Expenditure chargeable thereon	91,005,850	91,600,800	92,222,300	92,326,800
Surplus (+) or Deficit (—)	— 833,412	— 1,595,100	— 1,792,800	— 301,900

Stephen Jacob,
Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

HEADS OF REVENUE.	ACCOUNTS, 1892-93.					REVISED	
	India.		England.	Exchange.* 1 s. 2·985 d.	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
PRINCIPAL HEADS OF REVENUE:	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—Land Revenue	15,843,354	9,061,974	- -	- -	24,905,328	16,347,200	9,145,100
II.—Opium	7,993,180	- -	- -	- -	7,993,180	6,694,400	- -
III.—Salt	8,625,046	31,058	- -	- -	8,656,104	8,318,600	27,600
IV.—Stamps	1,173,538	3,275,002	- -	- -	4,448,540	1,202,300	3,348,700
V.—Excise	3,971,350	1,271,093	- -	- -	5,242,443	4,055,400	1,302,500
VI.—Provincial Rates	570	3,705,928	- -	- -	3,706,498	3,600	3,482,700
VII.—Customs	1,600,232	17,401	- -	- -	1,617,633	1,641,500	17,200
VIII.—Assessed Taxes	965,212	720,929	- -	- -	1,686,141	991,700	738,600
IX.—Forest	928,640	662,692	- -	- -	1,591,332	986,000	691,100
X.—Registration	216,480	213,584	- -	- -	430,064	215,100	212,400
XI.—Tributes from Native States	790,112	- -	- -	- -	790,112	792,500	- -
Total	42,107,714	18,959,661	- -	- -	61,067,375	41,248,300	18,965,900
XII.—INTEREST	710,414	120,004	24,543	14,766	869,727	716,600	142,200
POST OFFICE, TELEGRAPH, AND MINT:							
XIII.—*Post Office*	1,481,264	7,611	- -	- -	1,488,875	1,541,800	7,900
XIV.—Telegraph	922,487	- -	9,525	5,731	937,743	957,000	- -
XV.—Mint	310,256	- -	49	30	310,335	228,100	- -
Total	2,714,007	7,611	9,574	5,761	2,736,953	2,726,900	7,900
RECEIPTS BY CIVIL DEPARTMENTS:							
XVI.—Law and Justice { Courts	26,122	351,322	- -	- -	377,444	20,700	356,400
XVI.—Law and Justice { Jails	41,397	267,800	- -	- -	309,197	44,600	269,100
XVII.—Police	15,967	380,000	- -	- -	395,967	14,400	393,300
XVIII.—Marine	29,036	127,819	- -	- -	156,855	31,500	126,400
XIX.—Education	1,216	209,071	- -	- -	210,287	1,400	215,700
XX.—Medical	219	66,708	3,094	1,861	71,882	500	68,500
XXI.—Scientific and other Minor Departments.	10,780	74,639	515	310	86,244	10,900	79,200
Total	124,737	1,477,359	3,609	2,171	1,607,876	124,000	1,508,600
MISCELLANEOUS:							
XXII.—Receipts in aid of Superannuation, &c.	153,558	47,183	101,000	60,764	362,505	162,400	48,500
XXIII.—Stationery and Printing	32,412	48,429	- -	- -	80,841	29,600	53,600
XXIV.—Exchange	19,686	- -	- -	- -	19,686	102,000	- -
XXV.—Miscellaneous	95,686	306,749	7,197	4,330	413,962	99,600	302,000
Total	301,342	402,961	108,197	65,094	876,994	393,600	404,100
RAILWAYS:							
XXVI.—State Railways (Gross Receipts)	14,810,148	1,004,291	230	138	15,814,807	15,767,700	1,007,300
XXVII.—Guaranteed Companies (Net Traffic Receipts).	3,244,413	- -	- -	- -	3,244,413	3,397,500	- -
XXVIII.—Subsidised Companies (Repayment of Advances of Interest).	17,883	- -	- -	- -	17,883	33,700	- -
Total	18,072,444	1,004,291	230	138	19,077,103	19,198,900	1,007,300
IRRIGATION:							
XXIX.—Major Works: Direct Receipts	761,139	749,591	- -	- -	1,510,730	608,400	725,200
Portion of Land Revenue due to Irrigation.	722,306	- -	- -	- -	722,306	792,000	- -
XXX.—Minor Works and Navigation	42,135	143,731	- -	- -	185,866	44,000	150,000
Total	1,525,580	893,322	- -	- -	2,418,902	1,444,400	875,200
BUILDINGS AND ROADS:							
XXXI.—Military Works	45,274	- -	- -	- -	45,274	46,900	- -
XXXII.—Civil Works	12,067	551,476	27,704	16,667	607,914	14,600	550,600
Total	57,341	551,476	27,704	16,667	653,188	61,500	550,600
RECEIPTS BY MILITARY DEPARTMENT:							
XXXIII.—Army { Effective	723,892	- -	37,810	22,747	784,449	674,600	- -
XXXIII.—Army { Non-effective	66,151	- -	8,566	5,154	79,871	70,400	- -
Total	790,043	- -	46,376	27,901	864,320	745,000	- -
TOTAL REVENUES	66,403,622	23,416,085	220,233	132,498	90,172,438	66,659,200	23,461,800

*The columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England, Exchange thereon calculated in accordance with the average rate obtained, or estimated to be obtained, for Bills and Telegraphic Transfers sold during the year.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1893-94.			Increase + Decrease — of Revised, as compared with Budget Estimate, 1893-94.	BUDGET ESTIMATE, 1894-95.					Increase + Decrease — of Budget, 1894-95, as compared with Budget Estimate, 1893-94.	Increase + Decrease — of Budget, 1894-95, as compared with Revised Estimate, 1893-94.
				India.						
England.	Exchange.* 1s. 2·6d.	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.* 1s. 2d.	TOTAL.		
£.	Rx.	Rx.	Rx.	Rx.	Rx.	£.	Rx.	Rx.	Rx.	Rx.
- -	- -	25,492,300	+ 335,100	16,790,600	8,913,000	- -	- -	25,703,600	+ 546,400	+ 211,300
- -	- -	6,694,400	— 621,800	6,393,600	- -	- -	- -	6,393,600	— 922,600	— 300,800
- -	- -	8,346,200	— 241,600	8,598,800	30,400	- -	- -	8,629,200	+ 41,400	+ 283,000
- -	- -	4,551,000	+ 116,900	1,206,100	3,355,700	- -	- -	4,561,800	+ 127,700	+ 10,800
- -	- -	5,357,900	+ 212,000	4,026,100	1,291,500	- -	- -	5,317,600	+ 171,700	— 40,300
- -	- -	3,486,300	— 220,800	4,800	3,520,500	- -	- -	3,525,300	— 181,800	+ 39,000
- -	- -	1,658,700	— 6,500	2,856,300	16,600	- -	- -	2,872,900	+ 1,207,700	+ 1,214,200
- -	- -	1,730,300	+ 43,100	998,200	742,700	- -	- -	1,740,900	+ 53,700	+ 10,600
- -	- -	1,677,100	+ 88,300	954,200	691,800	- -	- -	1,646,000	+ 57,200	— 31,100
- -	- -	427,500	— 1,800	221,200	218,800	- -	- -	440,000	+ 10,700	+ 12,500
- -	- -	792,500	+ 20,800	775,200	- -	- -	- -	775,200	+ 3,500	— 17,300
- - -	- -	60,214,200	— 276,300	42,825,100	18,781,000	- -	- -	61,606,100	+ 1,115,600	+ 1,391,900
9,600	6,200	874,600	— 19,000	681,800	157,900	10,000	7,100	856,800	— 36,800	— 17,800
- -	- -	1,549,700	+ 10,900	1,586,800	8,200	- -	- -	1,595,000	+ 56,200	+ 45,300
2,100	1,300	960,400	+ 8,900	985,000	- -	5,100	3,700	993,800	+ 42,300	+ 33,400
- -	- -	228,100	— 2,400	67,700	- -	- -	- -	67,700	— 162,800	— 160,400
2,100	1,300	2,738,200	+ 17,400	2,639,500	8,200	5,100	3,700	2,656,500	— 64,300	— 81,700
- -	- -	377,100	— 100	19,900	358,700	- -	- -	378,600	+ 1,400	+ 1,500
- -	- -	313,700	+ 1,400	46,700	277,300	- -	- -	324,000	+ 11,700	+ 10,300
- -	- -	407,700	+ 36,900	16,300	382,500	- -	- -	398,800	+ 28,000	— 8,900
- -	- -	157,900	— 54,700	11,000	127,200	- -	- -	138,200	— 74,400	— 19,700
- -	- -	217,100	+ 5,400	1,500	211,800	- -	- -	213,300	+ 1,600	— 3,800
1,700	1,100	71,800	+ 5,500	300	67,200	1,600	1,200	70,300	+ 4,000	— 1,500
400	300	90,800	+ 6,200	10,500	77,300	400	300	88,500	+ 3,900	— 2,300
2,100	1,400	1,636,100	+ 600	106,200	1,502,000	2,000	1,500	1,611,700	— 23,800	— 24,400
96,600	62,200	369,700	+ 22,900	151,800	48,700	95,200	68,000	363,700	+ 16,900	— 6,000
- -	- -	83,200	+ 400	33,200	51,100	- -	- -	84,300	+ 1,500	+ 1,100
- -	- -	102,000	— 78,000	150,000	- -	- -	- -	150,000	— 30,000	+ 48,000
2,700	1,700	406,000	+ 32,700	83,300	297,100	2,500	1,800	384,700	+ 11,400	— 21,300
99,300	63,900	960,900	— 22,000	418,300	396,900	97,700	69,800	982,700	— 200	+ 21,800
200	100	16,775,300	+ 483,800	15,868,600	1,071,000	200	100	16,939,900	+ 648,400	+ 164,600
- -	- -	3,397,500	+ 162,500	3,445,500	- -	- -	- -	3,445,500	+ 210,500	+ 48,000
- -	- -	33,700	+ 8,500	23,000	- -	- -	- -	23,000	— 2,200	— 10,700
200	100	20,206,500	+ 654,800	19,337,100	1,071,000	200	100	20,408,400	+ 856,700	+ 201,900
- -	- -	1,333,600	+ 9,900	691,400	700,200	- -	- -	1,391,600	+ 67,900	+ 58,000
- -	- -	792,000	— 23,600	868,500	- -	- -	- -	868,500	+ 52,900	+ 76,500
- -	- -	194,000	— 4,400	50,400	153,300	- -	- -	203,700	+ 5,300	+ 9,700
- -	- -	2,319,600	— 18,100	1,610,300	853,500	- -	- -	2,463,800	+ 126,100	+ 144,200
- -	- -	46,900	+ 4,200	46,800	- -	- -	- -	46,800	+ 4,100	— 100
25,500	16,400	607,100	+ 25,900	13,300	526,600	24,800	17,700	582,400	+ 1,200	— 24,700
25,500	16,400	654,000	+ 30,100	60,100	526,600	24,800	17,700	629,200	+ 5,300	— 24,800
39,100	25,200	738,900	+ 45,300	682,100	- -	23,400	16,700	722,200	+ 28,600	— 16,700
9,800	6,300	86,500	+ 11,000	70,400	- -	10,000	7,100	87,500	+ 12,000	+ 1,000
48,900	31,500	825,400	+ 56,300	752,500	- -	33,400	23,800	809,700	+ 40,600	— 15,700
187,700	120,800	90,429,500	+ 423,800	68,430,900	23,297,100	173,200	123,700	92,024,900	+ 2,019,200	+ 1,595,400

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1892-93. India. Imperial.	India. Provincial and Local.	England.	Exchange.* 1s. 2·985d.	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
DIRECT DEMANDS ON THE REVENUES:	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
1.—Refunds and Drawbacks	178,971	78,317	- -	- -	257,288	183,500	76,200
2.—Assignments and Compensations	526,231	1,041,545	- -	- -	1,567,776	515,200	1,044,100
Charges in respect of Collection, viz.:							
3.—Land Revenue	375,811	3,559,583	594	357	3,936,345	392,400	3,661,200
4.—Opium (including Cost of Production)	1,601,381	- -	696	419	1,602,496	1,883,100	- -
5.—Salt (including Cost of Production)	393,768	63,805	708	426	458,707	411,100	60,100
6.—Stamps	— 29,841	121,011	31,277	18,817	141,264	— 36,900	131,200
7.—Excise	146,291	46,722	- -	- -	193,013	147,000	46,900
8.—Provincial Rates	- -	55,659	- -	- -	55,659	- -	56,700
9.—Customs	52,631	87,979	15	9	140,634	53,400	91,600
10.—Assessed Taxes	15,135	15,036	- -	- -	30,171	15,900	15,600
11.—Forest	479,544	382,835	1,777	1,069	865,225	514,300	404,700
12.—Registration	107,085	106,031	- -	- -	213,116	111,800	110,700
Total	3,847,007	5,558,523	35,067	21,097	9,461,694	4,190,800	5,699,000
INTEREST:							
13.—Interest on Debt† other than that charged to Railways and Irrigation Works.	— 135,787	95,720	2,433,496	1,464,053	3,857,482	— 332,000	109,000
14.—Interest on other Obligations	513,421	3,006	221	133	516,781	544,700	3,400
Total	377,634	98,726	2,433,717	1,464,186	4,374,263	212,700	112,400
POST OFFICE, TELEGRAPH, AND MINT:							
15.—Post Office	1,251,020	114,317	95,658	57,550	1,518,545	1,273,100	118,600
16.—Telegraph	647,208	- -	142,271	85,594	875,073	681,100	- -
17.—Mint	95,614	- -	10,235	6,158	112,007	75,900	- -
Total	1,993,842	114,317	248,164	149,302	2,505,625	2,030,100	118,600
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:							
18.—General Administration	613,352	849,186	255,545	153,742	1,871,825	643,800	875,800
19.—Law and Justice { Courts	114,860	2,761,264	617	371	2,877,112	123,600	2,866,500
19.—Law and Justice { Jails	163,761	754,299	- -	- -	918,060	163,400	754,400
20.—Police	710,061	3,163,584	- -	- -	3,873,645	698,800	3,176,700
21.—Marine (including River Navigation)	237,854	154,021	290,476	174,758	857,109	211,300	163,600
22.—Education	24,210	1,410,024	1,742	1,048	1,437,024	26,000	1,439,600
23.—Ecclesiastical	167,627	- -	300	180	168,107	175,200	- -
24.—Medical	39,213	886,952	9,663	5,814	941,642	42,100	918,500
25.—Political	734,623	71,735	22,327	13,432	842,117	831,700	65,900
26.—Scientific and other Minor Departments	242,893	159,701	44,128	26,549	473,271	242,700	176,900
Total	3,048,454	10,210,766	624,798	375,894	14,259,912	3,158,600	10,437,900
MISCELLANEOUS CIVIL CHARGES:							
27.—Territorial and Political Pensions	494,796	- -	29,218	17,578	541,592	476,800	- -
28.—Civil Furlough and Absentee Allowances	1,335	- -	207,826	125,033	334,194	1,000	- -
29.—Superannuation Allowances and Pensions	84,478	796,712	1,810,546	1,089,270	3,781,006	86,000	824,000
30.—Stationery and Printing	94,405	468,893	52,868	31,807	647,973	118,500	486,900
32.—Miscellaneous	44,837	151,418	22,989	13,831	233,075	64,800	156,200
Total	719,851	1,417,023	2,123,447	1,277,519	5,537,840	747,100	1,467,100
FAMINE RELIEF AND INSURANCE:							
33.—Famine Relief	17,296	53,545	- -	- -	70,841	- -	2,800
34.—Construction of Protective Railways	984,469	- -	- -	- -	984,469	1,079,700	- -
35.—Construction of Protective Irrigation Works	55,054	- -	3,583	2,156	60,793	55,600	- -
Total‡	1,056,819	53,545	3,583	2,156	1,116,103	1,135,300	2,800
Carried forward	11,043,607	17,452,900	5,468,776	3,290,154	37,255,437	11,474,600	17,837,800

* See foot-note to Statement A.

	ACCOUNTS, 1892-93. India.	England.	Exchange.	TOTAL.
†The "Interest on Debt" is distributed as follows:—	*Rx.*	£.	*Rx.*	*Rx.*
Interest on Debt (other than that charged to Railways and Irrigation Works) as above	— 40,067	2,433,496	1,464,053	3,857,482
Under Railway Revenue Account	3,169,522	1,222,191	735,301	5,127,014
Under Irrigation	1,138,386	- -	- -	1,138,386
TOTAL	4,267,841	3,655,687	2,199,354	10,122,882

‡ The following further sums, which are included under XXVI. and 38, State Railways, are chargeable to the grant for Famine Relief and Insurance, as representing the net charge on the Revenues on account of Protective railways constructed through the agency of Companies:—

	Accounts, 1892-93.	Revised Estimate, 1893-94.	Budget Estimate, 1894-95.
	Rx.	*Rx.*	*Rx.*
Indian Midland Railway	253,650	248,300	242,100
Bengal-Nagpur Railway	130,247	113,400	126,700
TOTAL	383,897	361,700	368,800

Revenues of India, in India and in England.

ESTIMATE, 1893-94.			Increase + Decrease — of Revised as compared with Budget Estimate, 1893-94.	BUDGET ESTIMATE, 1894-95.					Increase + Decrease — of Budget, 1894-95, as compared with Budget Estimate, 1893-94.	Increase + Decrease — of Budget, 1894-95, as compared with Revised Estimate, 1893-94.
				India.						
England.	Exchange.* 1s. 2·6d.	Total.		Imperial.	Provincial and Local.	England.	Exchange.* 1s. 2d.	Total.		
£.	Rx.	Rx.	Rx.	Rx.	Rx.	£.	Rx.	Rx.	Rx.	Rx.
- -	- -	259,700	+ 34,800	160,400	71,200	- -	- -	231,600	+ 6,700	— 28,100
- -	- -	1,559,300	+ 81,400	525,700	1,050,900	- -	- -	1,576,600	+ 98,700	+ 17,300
100	100	4,053,800	— 58,500	418,100	3,767,700	600	400	4,186,800	+ 74,500	+ 133,000
1,100	700	1,884,900	— 370,100	2,253,900	- -	800	600	2,255,300	+ 300	+ 370,400
1,300	800	473,300	— 37,500	450,200	68,100	200	100	518,600	+ 7,800	+ 45,300
39,400	25,300	159,000	+ 4,300	— 38,800	133,800	49,000	35,000	179,000	+ 24,300	+ 20,000
100	100	194,100	— 14,700	155,500	49,700	- -	- -	205,200	— 3,600	+ 11,100
- -	- -	56,700	+ 3,200	- -	53,000	- -	- -	53,000	— 500	— 3,700
200	100	145,300	+ 500	114,600	94,600	200	100	209,500	+ 64,700	+ 64,200
- -	- -	31,500	— 900	16,400	16,300	- -	- -	32,700	+ 300	+ 1,200
1,200	800	921,000	— 69,200	550,800	432,400	700	500	984,400	— 5,800	+ 63,400
- -	- -	222,500	+ 500	115,500	114,400	- -	- -	229,900	+ 7,900	+ 7,400
43,400	27,900	9,961,100	— 426,200	4,722,300	5,852,100	51,500	36,700	10,662,600	+ 275,300	+ 701,500
2,498,300	1,608,500	3,883,800	+ 368,100	—615,500	122,300	2,682,700	1,916,200	4,105,700	+ 590,000	+ 221,900
200	100	548,400	— 1,800	502,100	3,300	200	100	505,700	— 44,500	— 42,700
2,498,500	1,608,600	4,432,200	+ 366,300	—113,400	125,600	2,682,900	1,916,300	4,611,400	+ 545,500	+ 179,200
102,500	66,000	1,560,200	— 28,100	1,310,400	121,300	102,900	73,500	1,608,100	+ 19,800	+ 47,900
142,000	91,400	914,500	— 2,300	698,600	- -	128,900	92,100	919,600	+ 2,800	+ 5,100
4,400	2,800	83,100	— 21,100	64,200	- -	2,300	1,600	68,100	— 36,100	— 15,000
248,900	160,200	2,557,800	— 51,500	2,073,200	121,300	234,100	167,200	2,595,800	— 13,500	+ 38,000
267,600	172,300	1,959,500	+ 76,900	651,300	894,700	252,900	180,600	1,979,500	+ 96,900	+ 20,000
300	200	2,990,600	+ 88,000	118,600	2,923,400	1,100	800	3,043,900	+ 141,300	+ 53,300
- -	- -	917,800	— 15,800	162,400	797,600	- -	- -	960,000	+ 26,400	+ 42,200
600	400	3,876,500	— 84,000	688,700	3,353,400	500	400	4,043,000	+ 82,500	+ 166,500
244,700	157,500	777,100	— 64,500	232,000	150,400	184,100	131,500	698,000	— 143,600	— 79,100
1,700	1,100	1,468,400	— 47,000	29,700	1,513,000	1,500	1,100	1,545,300	+ 29,900	+ 76,900
200	100	175,500	+ 4,000	186,200	- -	300	200	186,700	+ 15,200	+ 11,200
6,800	4,400	971,800	+ 22,600	43,500	950,400	6,800	4,900	1,005,600	+ 56,400	+ 33,800
22,000	14,200	933,800	+ 98,100	874,100	72,200	22,200	15,900	984,400	+ 148,700	+ 50,600
42,000	27,000	488,600	+ 9,300	253,600	184,000	43,900	31,300	512,800	+ 33,500	+ 24,200
585,900	377,200	14,559,600	+ 87,600	3,240,100	10,839,100	513,300	366,700	14,959,200	+ 487,200	+ 399,600
22,000	14,200	513,000	— 16,400	466,000	- -	11,100	7,900	485,000	— 44,400	— 28,000
200,200	128,900	330,100	— 10,900	1,000	- -	208,000	148,600	357,600	+ 16,600	+ 27,500
1,772,900	1,141,400	3,824,300	+ 35,000	87,100	846,800	1,779,500	1,271,100	3,984,500	+ 195,200	+ 160,200
51,200	33,000	689,600	+ 54,500	106,700	495,400	45,300	32,400	679,800	+ 44,700	— 9,800
25,000	16,100	262,100	+ 18,800	39,200	172,400	20,700	14,800	247,100	+ 3,800	— 15,000
2,071,300	1,333,600	5,619,100	+ 81,000	700,000	1,514,600	2,064,600	1,474,800	5,754,000	+ 215,900	+ 134,900
- -	- -	2,800	— 37,700	- -	10,000	- -	- -	10,000	— 30,500	+ 7,200
- -	- -	1,079,700	+ 25,400	- -	- -	- -	- -	- -	— 1,054,300	— 1,079,700
100	100	55,800	— 9,200	45,000	- -	- -	- -	45,000	— 20,000	— 10,800
100	100	1,138,300	— 21,500	45,000	10,000	- -	- -	55,000	— 1,104,800	— 1,083,300
5,448,100	3,507,600	38,268,100	+ 35,700	10,667,200	18,462,700	5,546,400	3,961,700	38,638,000	+ 405,600	+ 369,900

REVISED ESTIMATE, 1893-94.				BUDGET ESTIMATE, 1894-95.			
India.	England.	Exchange.	Total.	India.	England.	Exchange.	Total.
Rx.	£.	Rx.	Rx.	Rx.	£.	Rx.	Rx.
—223,000	2,498,300	1,608,500	3,883,800	— 493,200	2,682,700	1,916,200	4,105,700
3,347,200	1,214,400	781,800	5,343,400	3,498,700	1,202,100	858,700	5,559,500
1,165,800	- -	- -	1,165,800	1,193,500	- -	- -	1,193,500
4,290,000	3,712,700	2,390,300	10,393,000	4,199,000	3,884,800	2,774,900	10,858,700

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1892-93. India. Imperial.	India. Provincial and Local.	England.	Exchange.* 1 *s.* 2·985*d.*	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
	Rx.	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward - - -	11,043,607	17,452,900	5,468,776	3,290,154	37,255,437	11,474,600	17,837,800
37.—CONSTRUCTION of RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	201,225	138,262	- -	- -	339,487	- -	77,100
RAILWAY REVENUE ACCOUNT:							
38.—State Railways: Working Expenses - -	7,579,288	365,580	- -	- -	7,944,868	7,870,800	388,300
Interest on Debt - - - - - -	2,939,735	210,372	1,017,092	611,908	4,779,107	3,115,100	212,700
Annuities in purchase of Railways - -	- -	- -	1,696,651	1,020,748	2,717,399	- -	- -
Interest chargeable against Companies on Advances.	- -	- -	205,099	123,393	328,492	- -	- -
Interest on Capital deposited by Companies	80,108	- -	659,351	396,682	1,086,141	81,900	- -
39.—Guaranteed Companies: Surplus Profits, Land, and Supervision.	611,347	- -	- -	- -	611,347	605,800	- -
Interest - - - - - - - -	2,673	- -	2,145,297	1,290,665	3,438,635	2,400	- -
40.—Subsidised Companies: Land, &c. - -	12,383	16,643	- -	- -	29,026	8,600	14,300
41.—Miscellaneous Railway Expenditure - -	— 10,860	- -	- -	- -	— 10,860	110,000	1,200
Total - - -	11,164,674	592,595	5,723,490	3,443,396	20,924,155	11,744,600	616,500
IRRIGATION:							
42.—Major Works: Working Expenses - -	410,603	383,348	- -	- -	793,951	391,500	380,200
Interest on Debt - - - - -	605,959	532,427	- -	- -	1,138,386	629,700	536,100
43.—Minor Works and Navigation - - -	390,253	616,962	579	348	1,008,142	328,900	588,300
Total - - -	1,406,815	1,532,737	579	348	2,940,479	1,350,100	1,504,600
BUILDINGS AND ROADS:							
44.—Military Works - - - - - -	1,131,728	- -	40,628	24,443	1,196,799	1,166,300	- -
45.—Civil Works - - - - - -	635,087	3,876,950	85,940	51,704	4,649,681	697,100	3,904,600
Total - - -	1,766,815	3,876,950	126,568	76,147	5,846,480	1,863,400	3,904,600
ARMY SERVICES:							
46.—Army: Effective - - - - -	14,657,935	- -	2,500,499	1,504,364	18,662,798	15,082,300	- -
Non-effective - - - -	931,156	- -	2,388,297	1,436,860	4,756,313	929,500	- -
Total - - -	15,589,091	- -	4,888,796	2,941,224	23,419,111	16,011,800	- -
SPECIAL DEFENCE WORKS:							
47.—Special Defence Works - - - -	255,723	- -	126,332	76,005	458,060	163,300	- -
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL - - -	41,427,950	23,593,444	16,334,541	9,827,274	91,183,209	42,607,800	23,940,600
Add,—Portion of Allotments to Provincial Governments not spent by them in the Year - - - - - -	- -	103,250	- -	- -	103,250	- -	116,400
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances	- -	—280,609	- -	- -	— 280,609	- -	—595,200
TOTAL EXPENDITURE CHARGED AGAINST REVENUE - -	41,427,950	23,416,085	16,334,541	9,827,274	91,005,850	42,607,800	23,461,800

	ACCOUNTS, 1892-93. India.	England.	Exchange.	TOTAL.
EXPENDITURE NOT CHARGED TO REVENUE:				
Capital Outlay, Railways and Irrigation Works:	*Rx.*	£.	*Rx.*	*Rx.*
48.—State Railways - - - - - -	1,798,040	1,034,673	622,486	3,455,199
49.—Irrigation Works - - - - - -	521,789	5,808	3,494	531,091
TOTAL - - -	2,319,829	1,040,481	625,980	3,986,290

* *See* foot-note to Statement A.

REVENUES of INDIA, in INDIA and in ENGLAND—*continued.*

ESTIMATE, 1893-94.			Increase + Decrease — of Revised as compared with Budget Estimate, 1893–94.	BUDGET ESTIMATE, 1894–95.					Increase + Decrease — of Budget, 1894–95, as compared with Budget Estimate, 1893–94.	Increase + Decrease — of Budget, 1894–95, as compared with Revised Estimate, 1893–94.
				India.						
England.	Exchange.* 1*s.* 2·6*d.*	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.* 1*s.* 2*d.*	TOTAL.		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
5,448,100	3,507,600	38,268,100	+ 35,700	10,667,200	18,462,700	5,546,400	3,961,700	38,638,000	+ 405,600	+ 369,900
- -	- -	77,100	+ 2,000	- -	24,400	- -	- -	24,400	— 50,700	— 52,700
- -	- -	8,259,100	+ 171,600	7,992,500	409,300	- -	- -	8,401,800	+ 314,300	+ 142,700
997,500	642,200	4,967,500	+ 22,200	3,264,500	214,800	983,200	702,300	5,164,800	+ 219,500	+ 197,300
1,695,400	1,091,600	2,787,000	+ 21,400	- -	- -	1,702,700	1,216,200	2,918,900	+ 153,300	+ 131,900
216,900	139,600	356,500	+ 3,600	- -	- -	218,900	156,400	375,300	+ 22,400	+ 18,800
679,600	437,600	1,149,100	+ 12,600	33,900	- -	680,100	485,800	1,199,800	+ 63,300	+ 50,700
- -	- -	605,800	— 7,400	651,600	- -	- -	- -	651,600	+ 38,400	+ 45,800
2,154,700	1,387,300	3,544,400	+ 35,500	3,600	- -	2,154,500	1,538,900	3,697,000	+ 188,100	+ 152,600
- -	- -	22,900	— 5,500	5,000	14,100	- -	- -	19,100	— 9,300	— 3,800
- -	- -	111,200	+ 3,700	110,000	- -	- -	- -	110,000	+ 2,500	— 1,200
5,744,100	3,698,300	21,803,500	+ 257,700	12,061,100	638,200	5,739,400	4,099,600	22,538,300	+ 992,500	+ 734,800
- -	- -	771,700	— 4,400	385,000	384,200	- -	- -	769,200	— 6,900	— 2,500
- -	- -	1,165,800	— 2,500	653,900	539,600	- -	- -	1,193,500	+ 25,200	+ 27,700
1,000	600	918,800	+ 3,100	334,300	611,200	700	500	946,700	+ 31,000	+ 27,900
1,000	600	2,856,300	— 3,800	1,373,200	1,535,000	700	500	2,909,400	+ 49,300	+ 53,100
15,000	9,700	1,191,000	— 8,700	990,500	- -	9,500	6,800	1,006,800	— 192,900	— 184,200
89,800	57,800	4,749,300	— 141,600	517,300	3,821,200	83,900	59,900	4,482,300	— 408,600	— 267,000
104,800	67,500	5,940,300	— 150,300	1,507,800	3,821,200	93,400	66,700	5,489,100	— 601,500	— 451,200
2,221,300	1,430,100	18,733,700	+ 332,100	15,246,000	- -	2,077,300	1,483,800	18,807,100	+ 405,500	+ 73,400
2,281,600	1,469,000	4,680,100	+ 70,300	923,200	- -	2,350,500	1,678,900	4,952,600	+ 342,800	+ 272,500
4,502,900	2,899,100	23,413,800	+ 402,400	16,169,200	- -	4,427,800	3,162,700	23,759,700	+ 748,300	+ 345,900
108,700	70,000	342,000	— 194,600	113,500	- -	22,600	16,200	152,300	— 384,300	— 189,700
15,909,600	10,243,100	92,701,100	+ 349,100	41,892,000	24,481,500	15,830,300	11,307,400	93,511,200	+1,159,200	+ 810,100
- -	- -	116,400	+272,400	—	—	—	—	—	— 433,200	— 705,600
- -	- -	— 595,200		- -	—1,184,400	- -	- -	—1,184,400		
15,909,600	10,243,100	92,222,300	+ 621,500	41,892,000	23,297,100	15,830,300	11,307,400	92,326,800	+ 726,000	+ 104,500

REVISED ESTIMATE, 1893-94.				BUDGET ESTIMATE, 1894–95.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
Rx.	£.	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*
1,662,200	782,000	503,500	2,947,700	1,975,700	860,000	614,300	3,450,000
672,400	14,000	9,000	695,400	541,400	5,000	3,600	550,000
2,334,600	796,000	512,500	3,643,100	2,517,100	865,000	617,900	4,000,000

* *See* foot-note to Statement A.

C.—STATEMENT of RECEIPTS and DISBURSEMENTS

	ACCOUNTS, 1892-93.			REVISED ESTIMATE, 1893-94.			BUDGET ESTIMATE, 1894-95.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
REVENUE (from Statement A.) -	89,819,707	220,233	90,039,940	90,121,000	187,700	90,308,700	91,728,000	173,200	91,901,200
Exchange added to Revenue -	132,498	- -	132,498	120,800	- -	120,800	123,700	- -	123,700
Total - - -	89,952,205	220,233	90,172,438	90,241,800	187,700	90,429,500	91,851,700	173,200	92,024,900
PERMANENT DEBT INCURRED :									
Sterling Debt :									
3 per Cent. Stock - -	- -	1,300,000	- -	- -	1,300,000	—	—	—	—
3½ per Cent. Debentures -	- -	- -	- -	- -	1,386,000	—	—	—	—
Temporary Loans - -	- -	- -	- -	- -	10,750,000	- -	- -	8,300,000	—
Rupee Debt :									
Rupee Loan - - -	23	- -	- -	3,499,100	—	—	—	—	—
Loan from Rampur State -	250,000	- -	- -	220,000	—	—	—	—	—
Total - - -	250,023	1,300,000	1,550,023	3,719,100	13,436,000	17,155,100	- -	8,300,000	8,300,000
Net - - -	- -	- -	0	- -	- -	10,052,800	- -	- -	2,149,000
UNFUNDED DEBT :									
Treasury Notes - - -	900	- -	- -	8,000	—	—	—	—	—
Deposits of Service Funds -	135,225	- -	- -	142,400	- -	- -	143,400	—	—
Savings Bank Deposits - -	4,223,923	- -	- -	4,196,100	- -	- -	4,025,200	—	—
Total - - -	4,360,048	- -	4,360,048	4,346,500	- -	4,346,500	4,168,600	- -	4,168,600
Net - - -	- -	- -	963,902	- -	- -	598,400	- -	- -	490,500
DEPOSITS AND ADVANCES :									
Balances of Provincial Allotments	103,250	- -	- -	116,400	—	—	—	—	—
Excluded Local Funds - -	728,536	- -	- -	837,600	- -	- -	850,400	—	—
Political and Railway Funds -	332,727	- -	- -	433,200	- -	- -	401,400	—	—
Deposits of Sinking Funds -	4,493	- -	- -	9,100	- -	- -	38,000	—	—
Departmental and Judicial Deposits.	16,153,386	- -	- -	17,855,100	- -	- -	16,714,000	—	—
Advances - - - -	14,905,174	4,471	- -	7,024,500	4,000	- -	3,042,700	200	—
Suspense Accounts - -	75,572	- -	- -	77,200	- -	- -	8,900	—	—
Exchange on Remittance Accounts (net).	1,160,364	- -	- -	5,094,800	- -	- -	413,400	—	—
Miscellaneous - - -	123,879	- -	- -	45,000	- -	- -	45,000	—	—
Total - - -	33,587,381	4,471	33,591,852	31,492,900	4,000	31,496,900	21,514,800	200	21,515,000
Net - - -	- -	- -	749,274	- -	- -	4,576,100	- -	- -	0
Carried forward - - -	128,149,657	1,524,704	- -	129,800,300	13,627,700	- -	117,535,100	8,473,400	—

of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND.

	ACCOUNTS, 1892-93.			REVISED ESTIMATE, 1893-94.			BUDGET ESTIMATE, 1894-95.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
EXPENDITURE, IMPERIAL and PROVINCIAL (from Statement B.).	65,021,394	16,334,541	81,355,935	66,548,400	15,909,600	82,458,000	66,373,500	15,830,300	82,203,800
Exchange, charged as Expenditure	9,827,274	- -	9,827,274	10,243,100	- -	10,243,100	11,307,400	- -	11,307,400
Add,—Provincial Surpluses, transferred to "Deposits."	103,250	- -	103,250	116,400	- -	116,400	—	—	—
Deduct,—Provincial Deficits, charged against "Deposits."	*—280,609*	- -	*—280,609*	*—595,200*	- -	*—595,200*	*—1,184,400*	- -	*—1,184,400*
Total - - -	74,671,309	16,334,541	91,005,850	76,312,700	15,909,600	92,222,300	76,496,500	15,830,300	92,326,800
EXPENDITURE NOT CHARGED TO REVENUE.									
Capital Outlay on Railways and Irrigation Works.	2,319,829	1,040,481	- -	2,334,600	796,000	- -	2,517,100	865,000	—
Exchange on Expenditure not charged to Revenue.	625,980	- -	- -	512,500	- -	- -	617,900	—	—
Total - - -	2,945,809	1,040,481	3,986,290	2,847,100	796,000	3,643,100	3,135,000	865,000	4,000,000
PERMANENT DEBT DISCHARGED:									
Sterling Debt:									
India 5 per Cent. Stock -	- -	400	- -	- -	100	—	—	—	—
India 4 per Cent. Stock -	- -	940	- -	- -	2,000	—	—	—	—
India 3½ per Cent. Debentures	—	—	—	—	—	—	—	—	—
Oudh and Rohilkhund Railway Debentures.	- -	1,770,800	- -	- -	729,000	—	—	—	—
South Indian Railway Debentures.	- -	150,000	- -	- -	520,200	—	—	—	—
Temporary Loans discharged	- -	- -	- -	- -	4,750,000	- -	- -	6,000,000	—
Rupee Debt:									
5½ per Cent. Loans - -	1,200	- -	- -	200	—	—	—	—	—
5 per Cent. Loans - -	220	- -	- -	100	—	—	—	—	—
4½ per Cent. Loans - -	1,900	- -	- -	1,100,600	- -	- -	150,000	—	—
4 per Cent. Loans - - -	1,410	- -	- -	- -	- -	- -	1,000	—	—
Provincial Debentures - -	- -	- -	- -	100	—	—	—	—	—
Stock Notes - - - -	58	—	—	—	—	—	—	—	—
Total - - -	4,788	1,921,640	1,926,428	1,101,000	6,001,300	7,102,300	151,000	6,000,000	6,151,000
Net - - -	- -	- -	**376,405**	- -	- -	0	- -	- -	0
UNFUNDED DEBT:									
Special Loans - - - -	88	- -	- -	300	—	—	—	—	—
Treasury Notes - - -	700	- -	- -	7,400	—	—	—	—	—
Deposits of Service Funds -	93,774	- -	- -	99,500	- -	- -	99,500	—	—
Savings Bank Deposits - -	3,301,584	- -	- -	3,640,900	- -	- -	3,578,600	—	—
Total - - -	3,396,146	- -	3,396,146	3,748,100	- -	3,748,100	3,678,100	- -	3,678,100
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
DEPOSITS AND ADVANCES:									
Balances of Provincial Allotments	280,609	- -	- -	595,200	- -	- -	1,184,400	—	—
Excluded Local Funds - -	722,239	- -	- -	800,600	- -	- -	838,300	—	—
Political and Railway Funds -	331,618	- -	- -	421,100	- -	- -	382,900	—	—
Departmental and Judicial Deposits.	15,890,673	- -	- -	17,338,100	- -	- -	16,799,900	—	—
Advances - - - - -	15,141,786	4,236	- -	7,398,500	200	- -	2,878,900	1,000	—
Suspense Accounts - - -	204,778	- -	- -	30,600	- -	- -	26,000	—	—
Miscellaneous - - - -	259,780	859	- -	336,300	200	- -	45,000	—	—
Total - - -	32,837,483	5,095	32,842,578	26,920,400	400	26,920,800	22,155,400	1,000	22,156,400
Net - - -	- -	- -	0	- -	- -	0	- -	- -	641,400
Carried forward - - -	113,855,535	19,301,757	- -	110,929,300	22,707,300	- -	105,616,000	22,696,300	—

C.—STATEMENT of Receipts and Disbursements

	ACCOUNTS, 1892-93.			REVISED ESTIMATE, 1893-94.			BUDGET ESTIMATE, 1894-95.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward	128,149,657	1,524,704	—	129,800,300	13,627,700	—	117,595,100	8,473,400	—
Loans and Advances by Imperial Government.	151,968	—	151,968	1,178,400	—	1,178,400	114,200	—	114,200
Net	—	—	0	—	—	1,032,300	—	—	1,900
Loans and Advances by Provincial Governments.	293,477	—	293,477	392,300	—	392,300	340,700	—	340,700
Net	—	—	0	—	—	0	—	—	0
Capital Receipts from Railway Companies:									
On account of Subscribed Capital.	77,500	1,570,567	—	70,000	93,800	—	62,500	1,915,000	—
Repayments	1,059,900	9,101	—	1,070,200	4,000	—	1,120,600	—	—
Total	1,137,400	1,579,668	2,717,068	1,140,200	97,800	1,238,000	1,183,100	1,915,000	3,098,100
Net	—	—	692,280	—	—	0	—	—	0
Remittances:									
Inland Money Orders	18,117,635	—	—	19,200,000	—	—	20,000,000	—	—
Other Local Remittances	117,010	—	—	—	—	—	—	—	—
Other Departmental Accounts	681,619	—	—	858,200	—	—	863,000	—	—
Net Receipts by Civil Treasuries from—									
Post Office	916,927	—	—	686,000	—	—	565,000	—	—
Telegraph	40,213	—	—	33,600	—	—	36,900	—	—
Guaranteed Railways	3,537,002	—	—	3,711,600	—	—	3,682,800	—	—
Public Works	—	—	—	626,700	—	—	1,627,600	—	—
Net Receipts from Civil Treasuries by—									
Marine	189,514	—	—	186,600	—	—	223,800	—	—
Military	14,137,186	—	—	14,805,500	—	—	15,044,900	—	—
Public Works	265,418	—	—	—	—	—	—	—	—
Remittance Account between England and India.	1,409,717	179,285	—	1,035,800	159,700	—	1,250,400	135,800	—
Total	39,412,241	179,285	39,591,526	41,144,000	159,700	41,303,700	43,294,400	135,800	43,430,200
Net	—	—	128,840	—	—	313,000	—	—	0
Secretary of State's Bills drawn.	—	16,532,215	16,532,215	—	9,400,000	9,400,000	—	17,000,000	17,000,000
Total Receipts	169,144,743	19,815,872	—	173,655,200	23,285,200	—	162,467,500	27,524,200	—
Opening Balance	17,287,005	4,122,626	—	15,271,756	2,268,388	—	26,251,756	959,988	—
GRAND TOTAL	186,431,748	23,938,498	—	188,926,956	25,553,588	—	188,719,256	28,484,188	—

Fort William, Finance and Commerce Department,
22 March 1894.

H. G. Cowie,
Deputy Comptroller General.

D.—ACCOUNT of Provincial and Local Savings charged to Revenue, and held

Provincial and

Note.—These Balances do not include the Balances

	India.	Central Provinces.	Burma.	Assam.
Accounts, 1892-93.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Balance at end of 1891-92	13,020	290,481	484,625	164,686
Added in 1892-93	549	—	96,079	—
Spent in 1892-93	—	21,453	—	15,250
Balance at end of 1892-93	13,569	269,028	580,704	149,436
Revised Estimate, 1893-94.				
Balance at end of 1892-93 (by Accounts)	13,569	269,028	580,704	149,436
Added in 1893-94	—	—	—	—
Spent in 1893-94	800	58,800	143,700	35,800
Balance at end of 1893-94	12,769	210,228	437,004	113,636
Budget Estimate, 1894-95.				
Balance at end of 1893-94 (by Revised Estimate).	12,769	210,228	437,004	113,636
Spent in 1894-95	600	71,400	302,100	49,100
Balance at end of 1894-95	12,169	138,828	134,904	64,536

Fort William, Finance and Commerce Department,
22 March 1894.

H. G. Cowie,
Deputy Comptroller General.

of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND—*continued.*

	ACCOUNTS, 1892-93.			REVISED ESTIMATE, 1893-94.			BUDGET ESTIMATE, 1894-95.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward - - -	113,855,535	19,301,757	- -	110,929,300	22,707,300	- -	105,616,000	22,696,300	—
Loans and Advances by Imperial Government.	508,236	- -	508,236	146,100	- -	146,100	112,300	- -	112,300
Net - - -	- -	- -	356,268	- -	- -	0	- -	- -	0
Loans and Advances by Provincial Governments.	786,817	- -	786,817	566,300	- -	566,300	833,700	- -	833,700
Net - - -	- -	- -	493,340	- -	- -	174,000	- -	- -	493,000
Payments to Railway Companies on Capital Account:									
For discharge of Debentures	- -	- -	- -	- -	- -	- -	- -	1,755,000	—
For Expenditure - -	1,103,219	921,569	- -	1,293,000	778,600	- -	1,285,600	1,071,400	—
Total - - -	1,103,219	921,569	2,024,788	1,293,000	778,600	2,071,600	1,285,600	2,826,400	4,112,000
Net - - -	- -	- -	0	- -	- -	833,600	- -	- -	1,013,900
Remittances:									
Inland Money Orders - -	18,098,856	- -	- -	19,200,000	- -	- -	20,000,000	—	—
Other Local Remittances -	- -	- -	- -	1,700	—	—	—	—	—
Other Departmental Accounts	671,127	- -	- -	858,200	- -	- -	863,000	—	—
Net Payments into Civil Treasuries by—									
Post Office - - -	916,927	- -	- -	686,000	- -	- -	565,000	—	—
Telegraph - - - -	40,381	- -	- -	33,600	- -	- -	36,900	—	—
Guaranteed Railways -	3,537,002	- -	- -	3,711,600	- -	- -	3,682,800	—	—
Public Works - - -	- -	- -	- -	246,700	- -	- -	1,627,600	—	—
Net Issues from Civil Treasuries to—									
Marine - - - -	189,533	- -	- -	186,600	- -	- -	223,800	—	—
Military - - - -	14,137,186	- -	- -	14,805,500	- -	- -	15,044,900	—	—
Public Works - - -	250,357	—	—	—	—	—	—	—	—
Remittance Account between England and India.	174,533	1,446,784	- -	153,100	1,107,700	- -	143,400	1,250,000	—
Total - - -	38,015,902	1,446,784	39,462,686	39,883,000	1,107,700	40,990,700	42,187,400	1,250,000	43,437,400
Net - - -	- -	- -	0	- -	- -	0	- -	- -	7,200
SECRETARY OF STATE'S BILLS PAID.	16,890,283	- -	16,890,283	9,857,500	- -	9,857,500	17,000,000	- -	17,000,000
TOTAL DISBURSEMENTS -	171,159,992	21,670,110	- -	162,675,200	24,593,600	- -	167,035,000	26,772,700	—
Closing Balance - -	15,271,756	2,268,388	- -	26,251,756	959,988	- -	21,684,256	1,711,488	—
GRAND TOTAL - - -	186,431,748	23,938,498	- -	188,926,956	25,553,588	- -	188,719,256	28,484,188	—

Stephen Jacob,
Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL CONTRACTS.

LOCAL BALANCES.

of Deposits and Advances upon Local Fund Accounts.

Bengal.	North Western Provinces and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
402,189	600,575	472,995	968,104	787,238	4,183,913
- - -	6,622	- - -	- - -	- - -	103,250
11,214	- - -	107,834	92,279	32,579	280,609
390,975	607,197	365,161	875,825	754,659	4,006,554
390,975	607,197	365,161	875,825	754,659	4,006,554
87,800	- - -	- - -	- - -	28,600	116,400
- - -	13,700	16,600	325,800	- - -	595,200
478,775	593,497	348,561	550,025	783,259	3,527,754
478,775	593,497	348,561	550,025	783,259	3,527,754
105,700	99,600	48,200	321,100	186,600	1,184,400
373,075	493,897	300,361	228,925	596,659	2,343,354

Stephen Jacob,
Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—INDIA and ENGLAND.

NET REVENUE.

	ACCOUNTS, 1892-93.				
	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Land Revenue	24,905,328	55,000	24,850,328	3,936,345	20,913,983
Opium	7,993,180	135	7,993,045	1,602,496	6,390,549
Salt	8,656,104	29,986	8,626,118	458,707	8,167,411
Stamps	4,448,540	53,744	4,394 796	141,264	4,253,532
Excise	5,242,443	32,240	5,210,203	193,013	5,017,190
Provincial Rates	3,706,498	7,849	3,698,649	55,659	3,642,990
Customs	1,617,633	58,836	1,558,797	140,634	1,418,163
Assessed Taxes	1,686,141	15,615	1,670,526	30,171	1,640,355
Forest	1,591,332	2,485	1,588,847	865,225	723,622
Registration	430,064	1,398	428,666	213,116	215,550
Tributes from Native States	790,112	- -	790,112	- -	790,112
	61,067,375	257,288	60,810,087	7,636,630	53,173,457
Deduct,—Assignments and Compensations	- -	- -	- -	- -	1,567,776
TOTAL NET REVENUE	- -	- -	- -	- -	51,605,681

NET EXPENDITURE.

	ACCOUNTS, 1892-93.		
	Gross Expenditure.	Receipts.	Net Expenditure.
	Rx.	*Rx.*	*Rx.*
Interest	4,374,263	869,727	3,504,536
Post Office, Telegraph, and Mint	2,505,625	2,736,953	— 231,328
Civil Departments	14,259,912	1,607,876	12,652,036
Miscellaneous Civil Charges	5,537,840	876,994	4,660,846
Famine Relief and Insurance	1,116,103	- - -	1,116,103
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	339,487	- - -	339,487
Railway Revenue Account	20,924,155	19,077,103	1,847,052
Irrigation	2,940,479	2,418,902	521,577
Buildings and Roads	5,846,480	653,188	5,193,292
Army Services	23,419,111	864,320	22,554,791
Special Defence Works	458,060	- - -	458,060
	81,721,515	29,105,063	52,616,452
Provincial and Local Surpluses and Deficits	+ 103,250 — 280,609	- - -	— 177,359
TOTAL NET EXPENDITURE	- - -	- - -	52,439,093
Surplus (+) or deficit (—)	- - -	- - -	— 833,412
			51,605,681

Fort William, Finance and Commerce Department,
22 March 1894.

H. G. Cowie,
Deputy Comptroller General.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—INDIA and ENGLAND.

NET REVENUE.

REVISED ESTIMATE, 1893-94.					BUDGET ESTIMATE, 1894-95.				
Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
25,492,300	57,000	25,435,300	4,053,800	21,381,500	25,703,600	51,700	25,651,900	4,186,800	21,465,100
6,694,400	- -	6,694,400	1,884,900	4,809,500	6,393,600	100	6,393,500	2,255,300	4,138,200
8,346,200	32,300	8,313,900	473,300	7,840,600	8,629,200	34,500	8,594,700	518,600	8,076,100
4,551,000	54,300	4,496,700	159,000	4,337,700	4,561,800	52,100	4,509,700	179,000	4,330,700
5,357,900	38,900	5,319,000	194,100	5,124,900	5,317,600	29,700	5,287,900	205,200	5,082,700
3,486,300	5,000	3,481,300	56,700	3,424,600	3,525,300	4,700	3,520,600	53,000	3,467,600
1,658,700	45,600	1,613,100	145,300	1,467,800	2,872,900	41,300	2,831,600	209,500	2,622,100
1,730,300	21,300	1,709,000	31,500	1,677,500	1,740,900	13,600	1,727,300	32,700	1,694,600
1,677,100	3,500	1,673,600	921,000	752,600	1,646,000	2,600	1,643,400	984,400	659,000
427,500	1,300	426,200	222,500	203,700	440,000	1,300	438,700	229,900	208,800
792,500	500	792,000	- -	792,000	775,200	- -	775,200	- -	775,200
60,214,200	259,700	59,954,500	8,142,100	51,812,400	61,606,100	231,600	61,374,500	8,854,400	52,520,100
- -	- -	- -	- -	1,559,300	- -	- -	- -	- -	1,576,600
- -	- -	- -	- -	50,253,100	- -	- -	- -	- -	50,943,500

NET EXPENDITURE.

REVISED ESTIMATE, 1893-94.			BUDGET ESTIMATE, 1894-95.		
Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
4,432,200	874,600	3,557,600	4,611,400	856,800	3,754,600
2,557,800	2,738,200	— 180,400	2,595,800	2,656,500	— 60,700
14,559,600	1,636,100	12,923,500	14,959,200	1,611,700	13,347,500
5,619,100	960,900	4,658,200	5,754,000	982,700	4,771,300
1,138,300	- - -	1,138,300	55,000	- - -	55,000
77,100	- - -	77,100	24,400	- - -	24,400
21,803,500	20,206,500	1,597,000	22,538,300	20,408,400	2,129,900
2,856,300	2,319,600	536,700	2,909,400	2,463,800	445,600
5,940,300	654,000	5,286,300	5,489,100	629,200	4,859,900
23,413,800	825,400	22,588,400	23,759,700	809,700	22,950,000
342,000	- - -	342,000	152,300	- - -	152,300
82,740,000	30,215,300	52,524,700	82,848,600	30,418,800	52,429,800
+ 116,400 — 595,200	- - -	— 478,800	— 1,184,400	- - -	— 1,184,400
- - -	- - -	52,045,900	- - -	- - -	51,245,400
- - -	- - -	— 1,792,800	- - -	- - -	— 301,900
- - -	- - -	50,253,100	- - -	- - -	50,943,500

Stephen Jacob,
Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

APPENDIX II.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1885-86.	1886-87.	1887-88.	
Recorded Revenue compared with the recorded Expenditure, excluding Capital Expenditure on Public Works not charged against Revenue:				
Surplus	-	178,427	-	1
Deficit	*Rx.* 2,801,726	-	2,028,832	2
Capital Expenditure on Public Works not charged against Revenue.*	„ 5,275,364	5,670,484	2,784,824	3
Capital Charge involved in Redemption of Liabilities	„ 1,086,045	4,914,546	-	4
Net Public Debt incurred	„ 3,584,979	9,727,538	5,435,799	5
Net Public Debt incurred, including Capital transactions with Guaranteed Railways, and other Companies.	„ 7,735,903	9,043,165	4,861,672	6
Value of commodities exported, excluding Gold and Silver	*Rx.* 83,881,000	88,470,000	90,544,000	7
Value of commodities imported, excluding Gold and Silver	„ 55,656,000	61,777,000	65,005,000	8
Excess of Exports over Imports, excluding Gold and Silver	„ 28,225,000	26,693,000	25,539,000	9
Net Imports of Gold	„ 2,763,000	2,177,000	2,992,000	10
Net Imports of Silver	„ 11,607,000	7,156,000	9,229,000	11
TOTAL Net Imports of Gold and Silver	„ 14,370,000	9,333,000	12,221,000	12
Excess of Exports over Imports, including Gold and Silver	„ 13,855,000	17,360,000	13,318,000	13
Grand Total Value of Imports and Exports of all kinds	„ 156,123,000	163,021,000	170,979,000	14
Secretary of State's Bills sold	*Rs.* 13,53,25,369	16,70,03,150	21,81,23,993	15
Sterling equivalent received	£. 10,292,692	12,136,279	15,358,577	16
Silver coined at the Indian Mints	*Rx.* 10,285,567	4,616,537	10,788,425	17
Maximum price in pence of an oz. Troy standard silver in London	*d.* 50 5/16 (May)	47 1/8 (Jan.)	45 1/8 (Dec.)	18
Minimum - - ditto - - ditto	„ 46 7/16 (Jan.)	42 (Aug.)	43 (Mar.)	19
Average exchange upon Secretary of State's Bills sold per rupee.	1*s.* 6·254*d.*	1*s.* 5·441*d.*	1*s.* 4·899*d.*	20
Fixed rate of exchange for the adjustment of transactions between the Indian and Imperial Treasuries.	1*s.* 7 1/16*d.*	1*s.* 6 1/16*d.*	1*s.* 6*d.*	21
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta.	9 (May)	8 (June, July, Feb. and March.)	9 (April and May)	22
Minimum - - ditto - - ditto	4 (From July to Jan.)	5 (Nov., Dec., & Jan.)	3 (Oct. to Dec.)	23
Maximum rate of discount at the Bank of England	4 (Dec.)	5 (Dec. and Jan.)	4 (Sept. to Jan.)	24
Minimum - - ditto - - ditto	2 (May to Nov.)	2 (April & May)	2 (April to Aug.)	25
Maximum Government Balances at the three Presidency Banks.	*Rx.* 6,486,800 (Dec.)	4,594,600 (June)	3,595,900 (Feb.)	26
Minimum - - ditto - - ditto	„ 3,638,800 (May)	3,296,500 (Sept.)	2,861,500 (Dec.)	27
Maximum price in Calcutta of Government 4 per Cent. Rupee Securities.	99-14 (July)	98-2 (Sept.)	100 (Oct.)	28
Minimum - - ditto - - ditto	91-12 (May)	95 (Feb.)	95-4 (April)	29
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts.	*Rx.* 20,551,700 (Apr.)	19,707,100 (Oct.)	20,812,800 (March)	30
Minimum - - ditto - - ditto	„ 19,181,300 (Dec.)	19,053,000 (Mar.)	18,916,300 (Oct.)	31
Maximum price in London of 4 per Cent. (Rupee) Securities, in gold.	78 1/2 (July)	73 1/2 (Nov.)	70 7/8 (Sept.)	32
Minimum - - ditto - - ditto	71 3/4 (Jan.)	65 1/8 (Aug.)	67 (April)	33
Maximum price in London of India 3½ per Cent. Stock	102 1/4 (Aug.)	102 (May)	108 (Mar.)	34
Minimum - - ditto - - ditto	97 (April)	100 1/4 (Sept.)	100 1/2 (Sept.)	35
Maximum price in London of India 3 per Cent. Stock	91 1/4 (Feb.)	90 (April)	99 3/8 (Mar.)	36
Minimum - - ditto - - ditto	85 (July)	85 (Feb.)	87 1/4 (April)	37
Maximum Government Paper Currency outstanding	*Rx.* 15,713,500 (Oct.)	14,678,200 (Nov.)	18,610,300 (Nov.)	38
Minimum - - ditto - - ditto	„ 13,017,900 (April)	13,779,400 (April)	13,903,200 (May)	39
Number of Savings Banks	6,198	6,230	6,152	40
Number of Depositors in Savings Banks	262,456	289,090	331,867	41
Amount deposited in Savings Banks	*Rx.* 5,081,183	5,795,249	6,675,571	42
Average of each deposit	„ 19	20	20	43
Net addition to deposits	„ 304,101	714,066	880,322	44

* Excludes Capital charge involved in redemption of Liabilities.

APPENDIX II.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1888-89.	1889–90.	1890–91.	1891–92.	1892–93.	Revised Estimate, 1893–94.	Budget, 1894–95.
1	37,018	2,612,033	3,688,171	467,535	—	—	—
2	- - -	- - -	- - -	- - -	833,412	1,792,800	301,900
3	1,638,001	3,173,390	3,365,632	3,500,000	3,986,290	3,643,100	4,000,000
4	10,336,049	- - -	4,692,557	—	—	—	—
5	13,487,881	5,129,018	6,293,714	3,038,293	—376,405	10,052,800	2,149,000
6	9,456,342	3,913,426	3,639,498	1,891,901	315,875	9,219,200	1,135,100
7	97,049,000	103,460,000	100,227,000	108,173,000	106,595,000	—	—
8	69,440,000	69,197,600	71,975,000	69,432,000	66,265,000	—	—
9	27,609,000	34,263,000	28,252,000	38,741,000	40,330,000	—	—
10	2,814,000	4,615,000	5,636,000	2,414,000	—2,813,000	—	—
11	9,247,000	10,938,000	14,175,000	9,022,000	12,864,000	—	—
12	12,061,000	15,553,000	19,811,000	11,436,000	10,051,000	—	—
13	15,548,000	18,710,000	8,441,000	27,305,000	30,279,000	—	—
14	182,119,000	192,024,000	196,260,000	195,615,000	196,829,000	—	—
15	20,89,91,221	22,41,86,638	21,18,69,300	23,08,28,115	26,47,84,151	15,45,20,548	29, 14, 28, 571
16	14,262,859	15,474,496	15,969,034	16,093,854	16,532,215	9,400,000	17,000,000
17	7,282,255	8,541,158	13,193,473	5,553,970	12,611,528	—	—
18	44 3/16 (Sept.)	44 7/8 (Jan.)	54 5/8 (Sept.)	46 3/8 (July)	41 1/8 (June)	34 7/8 (Aug.)	—
19	41 3/4 (May)	41 15/16 (May)	43 7/8 (April)	(39 (Mar.)	37 1/4 (Mar.)	27 (March)	—
20	1s. 4·379d.	1s. 4·566d.	1s. 6·089d.	1s. 4·733d.	1s. 2·985d.	1s. 2·6d.	1s. 2d.
21	1s. 5d.	1s. 4 1/2d.	1s. 5d.	1s. 6 1/2d.	1s. 4 3/4d.	1s. 2 3/4d.	1s. 3 1/4d.
22	12 (Feb. & Mar.)	11 (Feb. and Mar.)	12 (April)	5 (Jan. and Mar.)	6 (Jan.)	10 (Feb.)	—
23	4 (May to Sept.)	4 (June, July & Oct.)	3 (Aug. to Feb.)	2 (Aug. and Sept.)	3 (May to Dec.)	4 (June to Nov., Nov. to Jan.)	—
24	5 (Oct. to Jan.)	6 (Jan. and Feb.)	6 (Nov.)	5 (May and June)	3 (April, Oct., Nov., Dec. and Jan.)	(5 Aug. and Sept.)	—
25	2 (April & May)	2 1/8 (April & July)	3 (April, May, June, Feb. and March).	2 1/4 (July, Aug. and Sept.)	2 (May to Oct.)	2 (Feb. and Mar.)	—
26	4,385,500 (June)	4,446,400 (March)	4,083,800 (June)	4,743,700 (June)	4,123,600 (May)	3,685,400 (June)	—
27	2,791,900 (Nov.)	2,856,900 (Nov.)	2,937,300 (Oct.)	2,871,600 (Oct.)	2,751,900 (Nov.)	3,016,400 (Nov.)	—
28	101-1 (Sept.)	100-10 (July)	106-6 (Jan.)	108-4 (June)	109-2 (May)	108-12 (June)	—
29	96-6 (Jan.)	96-3 (Jan.)	99-7 (April)	104-10 (Feb.)	103-7 (Sept.)	99-4 (Feb.)	—
30	21,701,500 (March)	21,962,100 (Nov.)	26,724,500 (Mar.)	27,921,500 (Feb.)	27,256,600 (April)	25,978,300 (July)	—
31	20,972,200 (April)	21,586,900 (March)	21,498,800 (April)	26,531,900 (Aug.)	25,927,100 (Mar.)	25,024,200 (Jan.)	—
32	69 1/4 (Sept.)	70 1/2 (Jan.)	90 1/4 (Aug.)	78 3/8 (July)	70 3/8 (June)	71 (June)	—
33	65 1/2 (May)	66 1/2 (Sept.)	70 1/4 (April)	66 3/8 (Mar.)	62 9/16 (Aug.)	56 7/8 (Feb.)	—
34	108 3/4 (Mar.)	109 3/4 (May)	110 (Feb.)	108 3/4 (April)	110 (Mar.)	110 1/8 (April)	—
35	104 (Oct.)	106 3/8 (Dec.)	104 3/4 (Nov.)	103 1/2 (June)	105 (Aug.)	106 3/4 (Sept.)	—
36	100 1/8 (Feb.)	102 (Aug.)	100 3/8 (April)	97 3/4 (April)	100 1/4 (Mar.)	100 1/4 (April)	—
37	96 (May)	99 (April)	94 3/4 (Nov.)	93 (June)	95 (Aug.)	97 (Sept.)	—
38	18,055,300 (July)	16,667,800 (Nov.)	27,660,300 (Jan.)	27,040,700 (July)	29,065,000 (Aug.)	30,515,900 (Jan.)	—
39	14,829,800 (Feb.)	15,466,500 (Dec.)	17,419,600 (April)	22,624,200 (Jan.)	23,958,100 (Apl.)	24,216,000 (April)	—
40	6,237	6,546	6,642	6,642	6,594	—	—
41	383,267	431,805	475,329	528,752	588,477	—	—
42	7,622,544	7,531,868	8,062,241	8,886,372	9,774,819	—	—
43	20	18	17	17	17	—	—
44	946,973	—90,676	530,373	824,131	888,447	—	—

APPENDIX II.—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE II.—SEA-BORNE TRADE for the YEAR. (Principal ARTICLES arranged in order of their DECLARED VALUE.)

No.	EXPORTS.		1888-89.	1889-90.	1890-91.	1891-92.	1892-93.
1	Cotton—						
	Raw:						
	Quantity	*Cwt.*	5,331,536	6,320,342	5,913,923	4,424,947	4,789,201
	Value	*Rx.*	15,045,648	18,668,404	16,502,775	10,754,312	12,743,679
	Average declared value per lb. — *Annas*		4 –	4 3	4 0	3 6	3 10
	Average declared value per lb. — *Pence, at average exchange*		4·09	4·4	4·52	3·66	3·59
	Twist and Yarn:						
	Quantity	*Lbs.*	128,906,764	141,949,951	169,275,304	161,253,234	189,174,726
	Value	*Rx.*	5,207,100	5,748,732	6,543,364	5,771,033	6,773,482
	Average declared value per lb.	*Annas*	6 6	6 6	6 2	5 9	5 9
	Other Manufactures:						
	Value	*Rx.*	1,167,464	1,005,011	1,159,275	1,264,003	1,327,175
	Average declared value per yard — Grey or unbleached	*Annas*	1 11	1 9	1 10	1 10	1 10
	Average declared value per yard — Coloured, printed, or dyed	„	4 7	4 6	4 8	4 7	4 5
	Percentage of manufactures on whole value exported		29·76	26·57	31·82	39·55	38·86
2	Rice and Paddy:						
	Quantity	*Cwt.*	23,144,641	27,098,906	34,963,341	33,166,929	27,938,325
	Value	*Rx.*	7,915,409	10,110,482	12,877,740	13,385,971	12,406,719
	Average declared value of husked rice, per cwt. — *Rupees*		3 7 2	3 12 1	3 11 3	4 1 –	4 7 8
	Average declared value of husked rice, per cwt. — *Shillings, at average exchange*		4·71	5·18	5·58	5·66	5·59
3	Seeds:						
	Quantity	*Cwt.*	15,569,978	15,794,742	14,798,999	19,164,522	16,509,161
	Value	*Rx.*	9,561,756	10,627,553	9,343,252	12,208,458	11,631,015
	Average declared value of linseed, per cwt. — *Rupees*		5 15 8	6 10 –	6 2 9	6 4 –	7 1 1
	Average declared value of linseed, per cwt. — *Shillings, at average exchange*		8·16	9·15	9·3	8·71	8·83
4	Jute:						
	Raw and manufactured—Value	*Rx.*	10,468,631	11,431,103	10,083,972	9,361,594	11,182,217
	Average declared value of raw jute per cwt. — *Rupees*		7 7 9	8 6 9	6 5 6	8 – 5	7 8 7
	Average declared value of raw jute per cwt. — *Shillings, at average exchange*		10·21	11·63	9·56	11·19	9·41
	Percentage of manufactures on whole value exported		24·56	24·42	24·61	26·84	28·96
5	Opium:						
	Quantity	*Chests*	87,789	85,166	85,753	87,558	75,384
	Value	*Rx.*	10,508,081	10,115,996	9,261,815	9,562,261	9,255,014
	Average declared value per chest	*Rupees*	1,197	1,188	1,080	1,092	1,228
6	Wheat:						
	Quantity	*Cwt.*	17,610,081	13,799,224	14,320,496	30,303,425	14,973,453
	Value	*Rx.*	7,522,676	5,791,377	6,042,426	14,380,462	7,440,383
	Average declared value per cwt. — *Rupees*		4 4 4	4 3 2	4 3 6	4 11 11	4 15 6
	Average declared value per cwt. — *Shillings, at average exchange*		5·83	5·8	6·36	6·62	6·2
7	Tea:						
	Quantity	*Lbs.*	97,011,112	103,760,104	107,014,993	120,149,407	114,722,447
	Value	*Rx.*	5,267,315	5,277,650	5,219,233	5,968,129	6,292,348
	Average declared value per lb. — *Annas*		8 8	8 2	7 10	7 11	8 9
	Average declared value per lb. — *Shillings, at average exchange*		·74	·7	·74	·69	·68
8	Hides and Skins:						
	Quantity	*No.*	32,357,166	30,955,168	32,733,651	35,862,345	37,425,517
	Value	*Rx.*	4,743,546	4,524,261	4,695,919	5,186,002	5,591,935
	Percentage of dressed or manufactured on whole value exported		55·11	55·79	53·99	54·36	52·82
9	Indigo:						
	Quantity	*Cwt.*	142,447	157,116	118,425	125,327	126,703
	Value	*Rx.*	3,948,594	3,863,084	3,073,125	3,214,076	4,141,179
	Average declared value per cwt. — *Rupees*		277 3 1	245 14 –	259 8 –	256 7 3	326 13 6
	Average declared value per cwt. — *Sterling, at average exchange*	£.	18·92	16·97	19·56	17·88	20·41
10	Coffee:						
	Quantity	*Cwt.*	365,299	239,795	233,451	311,864	296,687
	Value	*Rx.*	1,884,243	1,489,872	1,454,985	1,998,659	2,066,862
	Average declared value per cwt. — *Rupees*		51 9 4	62 2 1	62 5 2	64 1 5	69 10 8
	Average declared value per cwt. — *Shillings, at average exchange*		70·41	85·77	93·95	89·37	87·
11	Wool:						
	Raw and manufactured—Value	*Rx.*	1,090,858	1,211,438	1,072,489	1,108,653	1,236,658
	Average declared value of raw wool per lb. — *Annas*		7 1	7 3	7 3	7 3	7 3
	Average declared value of raw wool per lb. — *Pence, at average exchange*		7·25	7·51	8·2	7·58	6·79
12	Silk:						
	Raw and manufactured—Value	*Rx.*	807,238	900,539	724,249	702,584	814,752
	Average declared value of raw silk per lb. — *Rupees*		2 7 1	3 1 –	2 15 4	3 1 11	3 6 3
	Average declared value of raw silk per lb. — *Shillings, at average exchange*		3·33	4·23	4·46	4·35	4·23
13	Lac:						
	Value	*Rx.*	401,078	489,380	781,945	751,474	784,950
14	Oils:						
	Value	*Rx.*	437,811	555,007	563,784	604,046	633,626
15	Teak Wood:						
	Quantity	*Cubic Tons*	52,609	71,342	42,803	48,190	58,350
	Value	*Rx.*	575,263	762,998	425,303	474,852	570,102
	Average declared value per cubic ton — *Rupees*		109 5 7	106 15 2	99 5 10	98 8 7	97 11 3
	Average declared value per cubic ton — *Sterling, at average exchange*	£.	7·46	7·38	7·49	6·87	6·1
16	Sugar:						
	Value	*Rx.*	550,339	917,179	417,562	508,417	507,914
17	Saltpetre:						
	Quantity	*Cwt.*	420,503	422,229	399,690	389,185	443,931
	Value	*Rx.*	401,801	411,276	380,059	365,618	438,940
	Average declared value per cwt. — *Rupees*		9 8 11	9 11 10	9 8 2	9 6 4	9 14 2
	Average declared value per cwt. — *Shillings, at average exchange*		13·04	13·45	14·34	13·1	12·34

APPENDIX II.—*continued.*

TABLE II.—SEA-BORNE TRADE for the Year, &c.—*continued.*

No.	IMPORTS.	1888-89.	1889-90.	1890-91.	1891-92.	1892-93.
1	Cotton—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	52,587,342	46,383,843	50,973,105	50,410,630	38,296,716
	Value - - - - - - - - - *Rx.*	3,746,983	3,482,747	3,768,505	3,514,763	2,684,963
	Average declared value per lb. *Annas* - - - - - - -	11·4	12·01	11·83	11·16	11·22
	Average declared value per lb. *Pence, at average exchange* - -	11·67	12·43	13·37	11·67	10·51
	Other Manufactures:					
	Value - - - - - - - - - *Rx.*	27,773,247	26,398,597	27,248,395	25,180,682	22,974,002
	TOTAL COTTON GOODS—Gross Imports - *Rx.*	31,520,230	29,881,344	31,016,900	28,695,445	25,658,965
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	*1,601,596*	*1,270,444*	*1,243,380*	*1,648,822*	*1,357,055*
	Value - - - - - - - - - *Rx.*	*111,514*	*91,382*	*83,801*	*113,665*	*90,822*
	Other Manufactures:					
	Value - - - - - - - - - *Rx.*	*1,705,167*	*1,728,358*	*1,710,493*	*1,817,165*	*1,732,879*
	Total Re-exports - *Rx.*	*1,816,681*	*1,819,740*	*1,794,294*	*1,930,830*	*1,823,701*
	TOTAL COTTON GOODS—Net Imports - *Rx.*	29,703,549	28,061,604	29,222,606	26,764,615	23,835,264
2	Metals - - - - - - - - - *Value Rx.*	4,406,283	5,983,709	6,024,466	6,033,543	5,815,867
3	Oils - - - - - - - - - - „	2,072,825	2,645,213	2,634,187	2,635,955	2,919,162
4	Silk (Raw and Manufactured) - - - - - „	2,588,105	2,845,159	2,501,430	3,014,698	2,817,651
5	Sugar - - - - - - - - - - „	1,790,939	2,200,049	3,399,886	2,561,996	2,625,683
6	Machinery and Millwork - - - - - „	2,409,737	2,491,428	2,160,483	2,180,019	2,477,835
7	Railway Plant and Rolling Stock - - - - „	3,693,939	2,907,086	3,236,786	2,505,471	2,321,989
8	Provisions - - - - - - - - - „	1,588,103	1,596,565	1,476,070	1,771,793	1,862,055
9	Woollen Manufactures - - - - - - „	1,712,548	1,597,549	1,952,600	1,874,896	1,674,088
10	Liquors - - - - - - - - - „	1,508,962	1,489,121	1,438,081	1,449,411	1,447,267
11	Apparel - - - - - - - - - - „	1,156,469	1,200,020	1,235,804	1,274,497	1,272,263
12	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - - - - - - *Tons*	843,743	609,218	799,149	759,709	681,997
	Value - - - - - - - - - - *Rx.*	1,921,831	1,304,591	1,551,667	1,269,777	1,181,606
	Average declared value per ton *Rupees* - - - - - - -	22·76	21·41	19·42	16·71	17·33
	Average declared value per ton *Shillings, at average exchange* - -	31·09	29·56	29·27	23·3	21·64
13	Spices - - - - - - - - - *Value Rx.*	855,228	852,350	813,115	797,196	623,633
14	Salt:					
	Quantity - - - - - - - - - *Tons*	398,810	410,808	395,243	373,953	360,042
	Value - - - - - - - - - - *Rx.*	882,130	894,532	779,034	627,953	576,694
	Average declared value per ton *Rupees* - - - - - - -	22·12	21·77	19·71	16·79	16·02
	Average declared value per ton *Shillings, at average exchange* - -	30·19	30·05	29·71	23·41	20·0

TABLE III.—SEA-BORNE TRADE for the first ELEVEN MONTHS of the Year. (Principal ARTICLES arranged in order of their DECLARED VALUE.)

	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Value of commodities Exported, excluding gold and silver	92,285,086	89,726,199	97,121,568	94,651,294	95,582,244
Value of commodities Imported, excluding gold and silver	62,700,493	65,893,996	63,228,773	60,227,814	70,232,985
EXCESS EXPORTS - - - *Rx.*	29,584,593	23,832,203	33,892,795	34,423,480	25,349,259
Net Imports of silver - - - - - - - -	9,056,774	13,256,180	6,757,530	11,773,557	12,718,804
Net Imports of gold - - - - - - - -	4,431,684	5,289,211	2,761,390	—2,964,982	961,435
TOTAL NET IMPORTS of Gold and Silver - *Rx.*	13,488,458	18,545,391	9,518,920	8,808,575	13,680,239
GRAND TOTAL IMPORTS AND EXPORTS OF ALL KINDS - - - - - *Rx.*	171,994,205	178,052,317	175,181,058	177,219,520	186,432,936

APPENDIX II.—*continued.*

TABLE III.—SEA-BORNE TRADE for the first Eleven Months of the Year, &c.—*continued.*

No.	EXPORTS.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1889-90.	1890-91.	1891-92.	1892-93.	1893-94.
1	Cotton, Raw :					
	Quantity - - - - - *Cwt.*	5,064,849	5,014,020	3,736,951	4,177,229	4,009,284
	Value - - - - - *Rx.*	14,730,222	14,104,585	9,170,455	10,679,691	11,171,399
	Average value per lb. - - - R.	- 4 2	- 4 -	- 3 6	- 3 8	- 4 -
	Cotton Manufactures—					
	Twist and Yarn :					
	Quantity - - - - *Lbs.*	129,785,427	155,991,420	148,139,276	172,295,305	118,069,479
	Value - - - - - *Rx.*	5,270,598	6,065,325	5,342,604	6,101,487	4,392,474
	Average value per lb. - - R.	- 6 6	- 6 3	- 5 9	- 5 8	- 5 11
	Other Manufactures - *Value Rx.*	932,973	1,057,389	1,121,810	1,210,580	1,136,798
	TOTAL COTTON (Raw and Manufactured) Value *Rx.*	20,933,793	21,227,299	15,634,869	17,991,758	16,700,671
2	Seeds :					
	Quantity - - - - - *Cwt.*	14,556,904	13,340,316	17,331,454	14,302,375	21,909,952
	Value - - - - - *Rx.*	9,825,845	8,410,665	10,963,820	9,948,101	15,220,644
	Average value per cwt. - - R.	6 12 -	6 4 11	6 5 3	6 15 3	6 15 2
3	Jute (Raw and Manufactured) *Value Rx.*	10,693,299	9,272,242	8,843,939	10,339,638	11,026,165
4	Rice and Paddy :					
	Quantity - - - - - *Cwt.*	21,784,829	28,562,506	27,020,659	21,787,509	19,997,856
	Value - - - - - *Rx.*	8,325,070	10,679,965	10,967,914	9,999,037	8,714,656
	Average value per cwt. - - R.	3 13 2	3 11 10	4 - 11	4 9 5	4 5 9
5	Opium :					
	Quantity - - - - *Chests*	79,391	79,747	80,924	70,201	66,450
	Value - - - - - *Rx.*	9,483,368	8,632,376	8,783,417	8,593,894	7,541,863
	Average value per chest - - R.	1,194 8 3	1,082 7 6	1,085 6 3	1,224 2 11	1,134 15 6
6	Tea :					
	Quantity - - - - - *Lbs.*	100,815,502	104,560,038	117,599,484	113,756,547	125,061,756
	Value - - - - - *Rx.*	5,150,253	5,103,727	5,861,567	6,240,214	6,520,796
	Average value per lb. - - - R.	- 8 2	- 7 10	- 8 -	- 8 9	- 8 4
7	Hides and Skins :					
	Quantity - - - - - *Cwt.*	712,413	732,613	773,551	773,491	768,669
	Value - - - - - *Rx.*	4,104,603	4,186,839	4,676,085	4,951,751	5,186,836
	Average value per cwt. - - R.	57 9 10	57 2 5	60 7 2	64 - 3	67 7 8
8	Wheat :					
	Quantity - - - - - *Cwt.*	13,389,883	13,505,683	28,587,884	14,518,266	11,515,781
	Value - - - - - *Rx.*	5,609,245	5,691,051	13,506,942	7,206,490	4,952,022
	Average value per cwt. - - R.	4 3 -	4 3 5	4 11 7	4 15 5	4 4 10
9	Indigo :					
	Quantity - - - - - *Cwt.*	147,377	111,715	121,165	122,562	123,735
	Value - - - - - *Rx.*	3,665,579	2,930,555	3,121,033	4,035,959	3,998,715
	Average value per cwt. - - R.	248 11 6	262 5 2	257 9 4	329 4 9	323 2 8
10	Coffee :					
	Quantity - - - - - *Cwt.*	170,096	195,785	211,201	203,862	201,755
	Value - - - - - *Rx.*	1,050,866	1,217,545	1,336,844	1,383,017	1,444,854
	Average value per cwt. - - R.	61 12 6	62 3 -	63 4 9	67 13 5	71 9 10
11	Wool (Raw and Manufactured) *Value Rx.*	1,124,592	932,654	1,016,880	1,127,040	1,101,559
12	Silk (Raw and Manufactured) „ *Rx.*	814,605	651,491	640,035	713,287	859,728
13	Lac - - - - - - „ *Rx.*	410,716	693,894	624,279	683,493	803,572
14	Sugar - - - - - - „ *Rx.*	905,818	335,677	455,449	418,636	715,127
15	Oils - - - - - - „ *Rx.*	509,015	493,646	557,514	565,482	475,201
16	Teak Wood :					
	Quantity - - - *Cubic Tons*	65,668	38,867	42,131	53,768	40,855
	Value - - - - - *Rx.*	704,932	386,835	422,758	524,469	409,056
	Average value per cubic ton - R.	107 5 7	99 8 5	100 5 6	97 8 8	100 2 -
17	Saltpetre :					
	Quantity - - - - - *Cwt.*	367,316	351,749	337,410	407,980	296,789
	Value - - - - - *Rx.*	357,650	336,137	316,693	402,317	310,244
	Average value per cwt. - - R.	9 11 9	9 8 11	9 6 2	9 13 9	10 7 3

APPENDIX II.—*continued.*

TABLE III.—SEA-BORNE TRADE for the first Eleven Months of the Year, &c.—*continued.*

No.	IMPORTS.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1889-90.	1890-91.	1891-92.	1892-93.	1893-94.
1	Cotton—					
	Twist and Yarn:					
	Quantity - - - - *Lbs.*	41,803,228	46,539,279	46,671,847	35,493,526	38,971,906
	Value - - - - - *Rx.*	3,152,351	3,446,744	3,255,329	2,471,858	2,821,482
	Average value per lb. - - R.	- 12 1	- 11 10	- 11 2	- 11 2	- 11 7
	Ditto - in sterling, at average exchange.	1*s.* - $\frac{1}{4}$*d.*	1*s.* 1$\frac{5}{8}$*d.*	11$\frac{1}{4}$*d.*	10$\frac{1}{4}$*d.*	10$\frac{3}{8}$*d.*
	Other Manufactures - *Value Rx.*	23,682,712	24,853,696	22,787,025	21,118,447	26,352,932
	TOTAL COTTON GOODS—Gross Imports - - *Rx.*	26,835,063	28,300,440	26,042,354	23,590,305	29,174,414
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - Lbs.	*1,132,224*	*1,096,760*	*1,511,343*	*1,166,231*	*1,045,543*
	Value - - - - - Rx.	*81,045*	*74,171*	*104,752*	*78,136*	*76,150*
	Average value per lb. - - R.	*- 11 5*	*- 10 10*	*- 11 1*	*- 10 9*	*- 11 8*
	Other Manufactures - Value Rx.	*1,615,772*	*1,566,313*	*1,646,278*	*1,565,428*	*1,514,770*
	Total Re-exports - - - Rx.	*1,696,817*	*1,640,484*	*1,751,030*	*1,643,564*	*1,590,920*
	TOTAL COTTON GOODS—Net Imports - - *Rx.*	25,138,246	26,659,956	24,291,324	21,946,741	27,583,494
2	Metals - - - - *Value Rx.*	5,439,002	5,455,500	5,415,524	5,196,917	6,137,118
3	Oils - - - - - - „	2,374,897	2,333,735	2,380,008	2,502,668	3,258,232
4	Silk (Raw and Manufactured) - - „	2,645,667	2,325,637	2,781,800	2,599,167	2,997,403
5	Sugar - - - - - - „	1,933,813	3,151,785	2,343,207	2,411,748	2,504,123
6	Machinery and Millwork - „	2,289,336	1,990,591	2,003,485	2,210,794	2,427,504
7	Railway Plant and Rolling Stock. „	2,623,818	3,007,161	2,316,905	1,946,469	2,070,334
8	Woollen Manufactures - - „	1,508,594	1,826,269	1,776,770	1,584,000	1,935,699
9	Provisions - - - - - „	1,491,481	1,371,276	1,635,619	1,737,502	1,680,860
10	Apparel - - - - - - „	1,109,106	1,144,296	1,177,139	1,161,311	1,349,591
11	Liquors - - - - - - „	1,337,947	1,305,065	1,307,768	1,317,482	1,343,830
12	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - *Tons*	567,108	721,367	656,702	600,075	497,654
	Value - - - - - *Rx.*	1,214,980	1,409,911	1,099,769	1,041,318	853,134
	Average value per ton - - - R.	21 6 9	19 8 9	16 11 11	17 5 8	17 2 3
13	Spices - - - - - *Value Rx.*	799,190	738,982	722,841	562,400	790,947
14	Salt:					
	Quantity - - - - *Tons*	347,545	366,090	341,356	323,276	377,373
	Value - - - - - *Rx.*	754,461	717,839	575,185	518,194	716,600
	Average value per ton - - - R.	21 11 4	19 9 9	16 13 7	16 - 6	18 15 10

APPENDIX II.—*continued.*

TABLE IV.—WHOLESALE PRICES of TYPICAL COMMODITIES in GOLD and SILVER in *London* and *Calcutta* in December in each Year.

(Prices of March 1873 = 100.)

	Measured in Gold.								Measured in Silver.*							
In LONDON— (Prices quoted from the London "Economist"):	1886.	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1886.	1887.	1888.	1889.	1890.	1891.	1892.	1893.
Scotch pig iron (warrants)	37	37	35	50	40	40	35	37	48	49	50	68	50	54	54	69
Coals, Hetton, Wallsend (London).	51	49	51	63	55	52	48	70	67	66	71	86	69	71	73	131
Copper, Chili bars	43	95	87	55	62	52	53	48	56	127	121	75	79	70	82	91
Straits, tin	60	115	68	67	64	63	64	52	89	153	95	92	80	85	97	98
Wheat	61	56	55	55	59	71	57	49	80	74	78	75	74	96	86	91
Flour, town-made	56	54	61	57	65	66	52	47	71	73	85	78	82	89	80	88
Beef, inferior	75	75	67	87	70	80	75	80	97	100	95	119	88	108	115	150
Cotton, No. 40, mule twist	60	62	65	64	68	57	57	54	77	84	91	88	85	77	87	100
Wool, Southdown hogs	59	55	54	59	59	59	55	55	76	73	75	80	74	79	84	103
Sugar, foreign Muscovado	42	53	53	45	55	58	51	45	55	75	75	61	69	78	78	84
Coffee	86	102	101	112	118	114	120	119	111	136	142	153	149	155	183	223
Saltpetre	77	77	77	78	78	77	77	78	99	103	107	107	99	103	118	147
Gold	–	–	–	–	–	–	–	–	130	134	140	137	126	135	153	187
Silver	77	75	71	73	79	74	65	53	–	–	–	–	–	–	–	–
In CALCUTTA—(Prices quoted from the Calcutta "Price Current"):																
Grey shirtings (8¼ lbs.)									81	79	81	76	74	74	77	70
Mule twist, white, good, No. 40									62	72	75	74	71	65	73	69
" " Turkey red, No. 40 (12 lbs.)									58	58	57	57	56	57	61	62
" " Orange, Nos. 40—60									75	86	85	85	77	73	76	80
Copper sheathing									65	90	99	69	72	72	80	83
Iron, flat, bolt, bar, and square									53	59	65	79	64	64	97	96
Spelter, hard									109	128	107	144	151	151	217	125
Hides, buffalo, slaughtered									80	69	74	Nom.	Nil	Nil	Nil	Nil.
Indigo, good									72	82	93	76	88	74	114	108
Jute, picked									131	153	192	192	123	219	186	222
Shell-lac, fine, orange									56	68	76	102	76	102	Nom	127
Linseed, fine, bold, clean									98	94	112	115	99	112	128	53
Rice, Ballam									106	118	147	165	159	168	196	200
Silk, raw, Cossimbazar									89	64	76	87	71	64	79	71
Tea, good, Souchong									55	50	52	50	48	41	59	43
Wheat, Doodiah									81	76	87	81	86	103	96	78
Gold									123	131	135	131	122	131	148	146

* The values measured in silver in London have been calculated from the values in gold on the basis of the price of standard silver in London.

APPENDIX II.—*continued.*

TABLE V.—STATEMENT showing the true Financial Results to the REVENUES of *India* of the Guarantee of Interest upon the Capital of GUARANTEED RAILWAY COMPANIES.

	1888–89.	1889–90.	1890–91.	1891–92.	1892–93.	Revised Estimate, 1893–94.	Budget Estimate, 1894–95.
	Miles.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open Mileage at end of official year.	*3,241	3,243	†2,588	2,588	2,587	2,587	2,587
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Gross Traffic Receipts	7,403,415	6,534,567	6,753,013	6,846,420	6,301,935	6,505,000	6,573,000
Working Expenses	3,752,607	3,365,933	3,251,739	3,353,302	3,057,522	3,107,500	3,127,500
Percentage of Working Expenses on Receipts	50·68	51·50	48·15	48·98	48·52	47·77	47·58
Net Traffic Receipts	3,650,808	3,168,634	3,501,274	3,493,118	3,244,413	3,397,500	3,445,500
Net Gain by the remittance to England of Capital Receipts and Disbursements in India at the contract rates of exchange, instead of at the average yearly rates obtained for the Secretary of State's Bills	—	—	—	—	—	—	—
TOTAL Revenue	3,650,808	3,168,634	3,501,274	3,493,118	3,244,413	3,397,500	3,445,500
Gross Guaranteed Interest paid in India *Rx.*	6,672	9,468	7,597	37,171	2,673	2,370	3,570
Gross Guaranteed Interest paid in London £.	2,697,388	2,337,058	2,354,130	2,114,159	2,145,297	2,154,700	2,154,500
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Total Guaranteed Interest (sterling payments converted at the average exchange of the year)	3,959,108	3,395,279	3,130,941	3,069,430	3,438,635	3,544,400	3,697,000
Surplus paid to Railway Companies	570,195	441,933	473,334	737,659	581,924	570,900	615,000
Land and Supervision	44,344	30,952	42,987	19,257	29,423	34,900	36,600
Interest on Revenue Balances	3,288	—	—	—	—	—	—
Net Loss on Receipts and Disbursements of Capital in India, calculated in the same way as the Gain	86,909	142,733	87,538	131,960	145,383	125,500	125,800
TOTAL Expenditure	4,663,844	4,010,897	3,734,800	3,958,306	4,195,365	4,275,700	4,474,400
Net Expenditure from the Public Treasury	1,013,036	842,263	233,526	465,188	950,952	878,200	1,028,900
Net Revenue	—	—	—	—	—	—	—

* The Oudh and Rohilkhand Railway, 692 miles, was purchased by the State on the 1st January 1889, and the mileage is shown under State Railways.

† The South Indian Railway, 654½ miles, was purchased by the State on the 1st January 1891, and the mileage is shown under State Railways.

APPENDIX II.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS in 1892–93, and ESTIMATED EXPENDITURE on such Works in 1893–94 and 1894–95, and to end of 1894–95.

RAILWAYS.	To end of 1891–92.	Accounts, 1892–93.	Revised Estimate, 1893–94.	Budget Estimate, 1894–95.	To end of 1894–95.	Sanctioned Outlay.	Balance remaining unspent.
OPEN LINES.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	14,241,270	604,081	435,400	240,000	15,520,751	15,520,751	—
Rajputana-Malwa	9,264,963	51,399	34,000	80,200	9,430,562	9,430,562	—
Holkar	1,304,655	1,609	2,900	5,800	1,314,964	1,314,964	—
Rewari-Ferozepore	1,280,862	190	2,000	5,000	1,288,052	1,288,052	—
Bhopal	167,624	26,981	22,500	14,000	231,105	231,105	—
Warora Colliery	155,442	902	10,660	50,000	217,094	217,094	—
Wardha Coal	498,120	649	- -	2,000	500,769	500,769	—
Umaria Colliery	100,009	3,761	—4,370	4,400	103,800	103,800	—
Burma	5,230,357	23,257	62,240	40,000	5,384,685	5,384,685	—
Burma, Meiktila Branch	1,211	27,620					
Jorhat	75,167	3,732	2,200	900	81,999	81,999	—
Cherra-Companygunj	77,383	447	300	- -	78,130	78,130	—
Eastern Bengal	8,309,489	89,496	109,400	90,000	8,731,404	8,731,404	—
Eastern Bengal, Barsoi-Kissengunj Branch.	87,420	45,599					
Tirhoot	2,361,102	124,801	18,300	80,000	2,584,203	2,584,203	—
Patna-Gya	435,011	—435,011	- -	- -	- -	- -	—
Nalhati	36,478	—36,478	- -	- -	- -	- -	—
Oudh and Rohilkhand	10,363,864	—19,705	48,520	74,300	10,466,979	10,466,979	—
Cawnpore-Achmera	1,148,016	6,923	11,500	6,000	1,172,439	1,172,439	—
Lucknow-Bareilly	512,114	- -	- -	- -	512,114	512,114	—
North Western	34,752,066	219,286	220,400	235,500	35,427,252	35,427,252	—
North Western, gradient improvements	266,006	225,947	143,700	50,000	685,653	685,653	—
South Indian	7,412,944	— 202,614	72,500	60,000	7,342,830	7,342,830	—
Bezváda Extension	141,672	481	500	1,000	143,653	143,653	—
Dhond and Manmad	1,105,636	3,068	10,700	13,000	1,132,404	1,132,404	—
TOTAL	99,328,881	766,511	1,203,350	1,052,100	102,350,842	102,350,842	—
LINES UNDER CONSTRUCTION.							
East Indian—Jherria Extension	- - -	234,468	105,700	- -	340,168	367,920	27,752
Godhra-Rutlam	290,904	633,349	428,000	132,000	1,484,253	1,483,722	—531
Mu Valley	1,081,045	447,688	289,140	322,800	2,140,673	* 2,373,137	232,464
Assam-Bengal, Northern Section	47,876	—47,876	—	—	—	—	—
Lucknow-RaeBareli-Benares	36,480	126,809	84,330	10,000	257,619	† 298,939	41,320
Bareilly-Rampur-Moradabad	18,626	251,822	386,550	138,600	795,598	‡ 795,376	—222
Sind-Pishin Petroleum Operations	12,972	1,409	100	- -	14,481	14,481	—
Frontier Railway Reserve Material	391,888	30,060	13,690	1,200	436,838	436,838	—
Peshawar Railway Reserve	35,750	1,026	- -	- -	36,776	36,776	—
Mushkaf-Bolan	184,032	267,151	516,180	576,600	1,543,963	2,008,547	464,584
Mari-Attock	87,914	211,097	82,600	50,000	431,611	1,182,012	750,401
East Coast	1,620,485	1,233,618	996,800	760,000	4,610,903	5,048,075	437,172
Mayavaram-Mutupet	71,274	91,902	66,400	17,500	247,076	270,155	23,079
Guntakul-Hindupur	115,370	460,509	10,400	5,000	591,279	793,417	202,138
Palanpur-Deesa	196	11,237	9,800	3,000	24,233	40,083	15,850
Assam-Bengal (Land)	- - -	14,231	80,000	40,000	134,231	§ 111,268	—22,963
Hyderabad-Umarkot	120,861	42,181	8,200	6,000	177,242	187,129	9,887
TOTAL	4,115,673	4,010,681	3,077,890	2,062,700	13,266,944	15,447,875	2,204,647 —23,716
Carried forward	103,444,554	4,777,192	4,281,240	3,114,800	115,617,786	117,798,717	2,204,647 —23,716

* Estimate for Choungzon-Mogoung Section not yet sanctioned.
‡ Revised project estimate submitted for sanction.

† Sanctioned cost of Lucknow-RaeBareli Section only.
§ Revised estimate called for.

APPENDIX II.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS, &c.—*continued.*

RAILWAYS.	To end of 1891-92.	Accounts, 1892-93.	Revised Estimate, 1893-94.	Budget Estimate, 1894-95.	To end of 1894-95.	Sanctioned Outlay.	Balance remaining unspent.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward - - -	103,144,554	4,777,192	4,281,240	3,114,800	115,617,786	117,798,717	2,204,647 —23,716
LINES IN ABEYANCE OR TRANSFERRED TO COMPANIES.							
Ranaghat-Bhagwnagola - - -	30,244	- -	- -	- -	30,244	30,244	—
Southern Mahratta - - - -	52,707	- -	- -	- -	*52,707	52,707	—
Bellary-Kistna - - - - -	1,657,508	245	- -	- -	1,657,753	1,657,753	—
Bilaspur-Etawah - - - -	7,514	- -	- -	- -	7,514	7,514	—
Vizagapatam-Raipur - - -	24,504	- -	- -	- -	24,504	24,504	—
TOTAL - - -	1,772,477	245	- -	- -	1,772,722	1,772,722	—
Stores and Reserve - - - -	131,250	27,285	—63,240	359,600	454,895	454,895	—
Nagpur - Chhattisgarh Depreciation Account.	75,297	—25,567	—600	- -	49,130	49,130	—
	105,423,578	4,779,155	4,217,400	3,474,400	117,894,533	120,075,464	—
Deduct probable lapses - - -	- -	- -	—112,900	- -	—112,900	—112,900	—
TOTAL - - -	105,423,578	4,779,155	4,104,500	3,474,400	117,781,633	119,979,364	2,204,647 —23,716
Distributed as under :—							
Capital Expenditure on Public Works, not charged against Revenue :							
State Railways—Construction	62,386,309	3,455,199	2,947,700	3,450,000	72,239,208	—	—
Redemption of Liabilities -	33,553,451	- -	- -	- -	33,553,451	—	—
Famine Relief and Insurance :							
Protective Railways - -	3,418,774	984,469	1,079,700	- -	5,482,943	—	—
Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	6,065,044	339,487	77,100	24,400	6,506,031	—	—
TOTAL as above - - -	105,423,578	4,779,155	4,104,500	3,474,400	117,781,633	119,979,364	2,204,647 —23,716

* Represents depreciation on works and stores allowed by Government on transfer to the Company.

APPENDIX II.—*continued.*

TABLE VII.—CAPITAL EXPENDITURE on IRRIGATION—MAJOR WORKS, in 1892-93, and ESTIMATED EXPENDITURE on such Works in 1893-94, 1894-95, and to the end of 1894-95, &c.

	Accounts, 1892-93.	Revised Estimate, 1893-94.	Budget Estimate, 1894-95.	Total Actual and Estimated Outlay to end of 1894-95.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
IRRIGATION WORKS. CAPITAL EXPENDITURE NOT CHARGED AGAINST REVENUE.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Bengal.						
Orissa Canals	30,322	35,300	24,000	2,556,288	3,145,490 (a)	589,202
Midnapore Canal:						
Old outlay	-	-	-	822,251	831,677	—
Outlay against Open Capital sanctions	-	900	-	4,520	5,632	1,112
Hidgellee Tidal Canal:						
Old outlay	-	-	-	179,549	177,269	—
Outlay against Supplementary Estimate	3,832	3,200	12,600	63,354	76,915	13,561
Sone Canals:						
Old outlay	-	-	-	2,535,663	2,788,870	—
Outlay against Open Capital sanctions	5,625	19,000	5,000	67,171	71,264	4,093
North Western Provinces and Oudh.						
Ganges Canal:						
Old outlay	-	-	-	2,685,061	2,923,592	—
Outlay against Open Capital sanctions	10,970	14,100	14,000	55,975	53,882	—
Lower Ganges Canal:						
Old outlay	-	-	-	3,099,851	3,273,832	—
Outlay against Open Capital sanctions	20,763	29,700	22,100	94,274	40,573	—
Cawnpore Extension	-	-	-	-	342,000	342,000
Agra Canal:						
Old outlay	-	-	-	849,147	871,752	—
Outlay against Open Capital sanctions	2,424	4,100	5,900	14,940	5,645	—
Eastern Jumna Canal:						
Old outlay	-	-	-	318,507	344,191	—
Outlay against Open Capital sanctions	2,913	1,800	2,000	13,215	6,337	—
Punjab.						
Western Jumna Canal:						
Old outlay	-	-	-	1,051,643	1,078,050	—
Outlay against Open Capital sanctions	11,746	19,000	22,400	68,652	60,125	—
Western Jumna Canal, Sirsa Branch (State outlay).	61,184	47,800	30,000	255,670	289,269	33,599
Bari Doab Canal:						
Old outlay	-	-	-	1,572,350	1,579,860	—
Outlay against Open Capital sanctions	25,186	51,900	19,000	106,265	118,469	12,204
Carried forward	180,965	226,800	157,000	16,414,346	—	—

(a) Includes Rx. 5,868 sanctioned for supplementary works.

APPENDIX II.—*continued.*

TABLE VII.—CAPITAL EXPENDITURE on IRRIGATION, &c.—*continued.*

	Accounts, 1892–93.	Revised Estimate, 1893–94.	Budget Estimate, 1894–95.	Total Actual and Estimated Outlay to end of 1894–95.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward	180,965	226,800	157,000	16,414,346	—	—
Punjab—continued.						
Sirhind Canal (State outlay):						
Old outlay	- -	- -	- -	2,188,086	2,226,440	—
Outlay against Open Capital sanctions	15,609	22,600	5,500	102,564	176,064	73,500
Chenab Canal (including Extension)	152,556	220,500	183,000	1,461,507	2,568,418	1,106,911
Madras.						
Godavari Delta System:						
Old outlay	- -	- -	- -	1,083,306	1,108,933	—
Outlay against Open Capital sanctions	165	600	800	9,196	10,997	1,801
Kistna Delta System	30,659	38,300	34,000	1,076,722	1,391,978	315,256
Sangam Anicut System	1,872	5,900	3,000	310,408	313,000	2,592
Periyar Project	131,355	129,300	76,000	713,513	542,500	—
Bombay.						
Desert Canal:						
Old outlay	- -	- -	- -	122,089	123,479	—
Outlay against Open Capital sanctions	249	- -	5,000	5,249	248	—
Begari Canal:						
Old outlay	- -	- -	- -	162,561	162,561	—
Eastern Nara Works	18,054	36,700	90,000	666,336	609,029	—
Mutha Canals	4,220	12,600	8,000	632,813	621,421	—
Other projects	5,897	20,900	8,500	3,297,905	—	—
	541,601	714,200	570,800	28,246,601	—	—
Deduct,—Outlay incurred from ordinary Revenues	10,510	18,800	20,800	5,544,467	—	—
TOTAL	531,091	695,400	550,000	22,702,134	—	—
FAMINE RELIEF AND INSURANCE.						
PROTECTIVE IRRIGATION WORKS.						
North Western Provinces and Oudh.						
Betwa Canal:						
Old outlay	949	- -	- -	398,447	425,141	—
Outlay against Open Capital sanctions	- -	1,400	1,100	2,500	1,143	—
Punjab.						
Swat River Canal:						
Old outlay	— 179	- -	- -	348,410	354,581	—
Outlay against Open Capital sanctions	- -	2,200	- -	2,200	2,363	163
Madras.						
Rushikulya Project	49,558	40,000	30,000	367,031	394,000	26,969
Bombay.						
Nira Canal	10,384	10,800	13,700	532,562	573,465	40,903
Other projects	81.	1,400	200	411,147	—	—
	60,793	55,800	45,000	2,062,297	—	—
Deduct,—Outlay incurred from ordinary Revenues	- -	- -	- -	285,434	—	—
TOTAL	60,793	55,800	45,000	1,776,863	—	—
GRAND TOTAL	591,884	751,200	595,000	24,478,997	—	—

APPENDIX II.—*continued.*

TABLE VIII.—GROSS RECEIPTS, WORKING EXPENSES, and NET TRAFFIC RECEIPTS, of GUARANTEED and STATE RAILWAYS, for Five Years ending 1892–93, with REVISED ESTIMATES for 1893–94, and BUDGET ESTIMATES for 1894–95.

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1888–89.	1889–90.	1890–91.	1891–92.	1892–93.	1893–94.	1894–95.
GUARANTEED RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	3,912	* † 3,241	3,243	‡ 2,588	2,588	2,587	2,587
Gross Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Madras	861,715	942,442	963,219	946,852	979,209	1,060,000	1,068,000
South India	551,270	582,050	468,015	—	—	—	—
Bombay, Baroda, and Central India	1,300,596	1,308,085	1,325,745	1,422,292	1,435,202	1,515,000	1,495,000
Great Indian Peninsula	4,208,148	3,701,990	3,996,034	4,077,276	3,887,524	3,930,000	4,010,000
Oudh and Rohilkhand	481,686	—	—	—	—	—	—
TOTAL	7,403,415	6,534,567	6,753,013	6,846,420	6,301,935	6,505,000	6,573,000
Working Expenses.							
Madras	498,676	536,576*	497,965	548,941	526,892	540,000	550,000
South Indian	382,017	377,325	281,260	—	—	—	—
Bombay, Baroda, and Central India	559,640	559,210	537,342	599,948	579,392	547,500	562,500
Great Indian Peninsula	1,999,032	1,892,822	1,935,172	2,204,413	1,951,238	2,020,000	2,015,000
Oudh and Rohilkhand	313,242	—	—	—	—	—	—
TOTAL	3,752,607	3,365,933	3,251,739	3,353,302	3,057,522	3,107,500	3,127,500
Net Traffic Receipts.							
Madras	363,039	405,866	465,254	397,911	452,317	520,000	518,000
South Indian	169,253	204,725	186,755	—	—	—	—
Bombay, Baroda, and Central India	740,956	748,875	788,403	822,344	855,810	967,500	932,500
Great Indian Peninsula	2,209,116	1,809,168	2,060,862	2,272,863	1,936,286	1,910,000	1,995,000
Oudh and Rohilkhand	168,444	—	—	—	—	—	—
TOTAL	3,650,808	3,168,634	3,501,274	3,493,118	3,244,413	3,397,500	3,445,500
STATE RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	8,979	§ 10,407	11,055	‖ 12,757	13,106	13,433	13,893
Gross Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	4,471,119	4,474,030	4,428,495	4,957,632	4,888,869	5,120,300	5,030,300
Dildarnagar-Ghazipur	4,604						
Nalhati	10,459	10,444	10,008	9,235	—		
Patna-Gya	49,895	52,151	51,749	60,771	28,650		
Rajputana-Malwa	1,903,833	1,938,223	1,851,105	2,205,116	2,247,595	2,280,000	2,280,000
Sindia	37,080	7,108	—	—	—	—	—
Godhra-Rutlam	—	—	—	—	—	9,000	47,500
Bhopal	5,512	7,916	8,777	13,088	15,310	18,000	20,000
Palanpur Deesa	—	—	—	—	—	1,600	4,200
Warora Colliery	88,442	82,187	90,930	54,425	54,407	56,000	57,200
Wardha Coal				25,897	23,299	20,600	24,000
Bengal-Nagpur	163,517	218,157	319,391	637,317	603,259	650,000	680,000
Umaria Colliery	17,822	26,408	33,979	27,996	36,524	36,200	36,200
Burma	314,241	348,338	376,678	406,038	695,172	622,500	690,000
Tounghoo-Mandalay	31,901	161,449	193,310	210,027			
Mu Valley	—	—	—	13,614	23,154	27,500	30,000
Jorhat	5,964	6,046	6,198	6,402	6,641	7,000	7,200
Cherra-Companygunj	620	1,235	1,713	1,953	1,846	2,300	2,300
Eastern Bengal	1,070,589	1,145,727	1,220,112	1,146,384	1,182,955	1,260,000	1,220,000
Tirhoot	170,854	211,182	69,726	488,854	538,398	535,000	540,000
Bengal and North Western and Tirhoot	—	—	320,600				
Bengal Central	72,389	72,991	74,047	76,110	78,006	78,000	79,000
Oudh and Rohilkhand	174,788	784,746	734,471	879,286	845,934	885,000	900,000
Benares Branch	700						
Indian Midland	108,154	314,730	331,908	436,012	444,354	455,000	480,000
Bareilly-Pilibhit	9,350	10,985	9,954	1,991	—		
Lucknow-Sitapur-Seramau	25,428	31,888	33,729	—	23	76,000	77,500
Lucknow-Bareilly	—	—	7,356	56,314	69,469		
North Western	2,573,190	2,905,416	2,730,774	3,309,010	2,569,878	2,980,000	2,950,000
Amritsar-Pathankot	8,738	10,154	11,225	11,224			
South Indian	—	—	147,044				
Villupuram-Guntakal	—	—	1,995	725,984	797,602	770,000	820,000
Villupuram-Guntakal—Nellore Branch	23,566	25,454	24,260				
Mysore	59,014	101,156	122,768	134,356	151,225	161,000	170,000
Bezvada Extension	—	7,667	7,473	8,737	9,878	10,800	11,000
East Coast	—	—	—	—	—	70,000	115,000
Guntakul-Hindupur	—	—	—	—	—	26,000	26,000
Mayavaram-Mutupet	—	—	—	—	—	—	22,500
Dhond and Manmad ¶	25,545	24,943	26,313	30,858	32,834	34,500	36,000
Southern Mahratta	399,806	407,133	457,136	477,303	463,116	570,000	570,000
Hyderabad-Umarkot	—	—	—	—	6,409	13,000	14,000
TOTAL	11,827,120	13,387,864	13,703,224	16,411,934	15,814,807	16,775,300	16,939,900

* The Bellary Branch of the Madras Railway, 33 miles in length, having been transferred to the Southern Mahratta Railway, the mileage is shown under State Railways.

† The Oude and Rohilkhand Railway, 692 miles, was purchased by the State on 1st January 1889, and the mileage is shown under State Railways.

‡ The South Indian Railway, 654½ miles, was purchased by the State on the 1st January 1891, and the mileage is shown under State Railways.

§ Includes the length of the Oudh and Rohilkhand Railway.

‖ Includes the length of the South Indian and Bengal and North Western Railways.

¶ The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.

APPENDIX II.—*continued.*

TABLE VIII.—RECEIPTS AND EXPENSES OF RAILWAYS, &c.—*continued.*

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1888–89.	1889–90.	1890–91.	1891–92.	1892–93.	1893–94.	1894–95.
STATE RAILWAYS—*continued.*							
Working Expenses.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	1,689,946	1,682,537	1,484,563	1,643,008	1,607,100	1,570,000	1,650,000
Dildarnagar-Ghazipur	2,195						
Nalhati	8,541	7,594	7,832	4,818	—		
Patna-Gya	23,786	25,395	23,739	25,983	12,303		
Rajputana-Malwa	970,424	1,020,867	926,066	1,087,885	1,018,701	1,090,000	1,065,000
Sindia	17,703	3,372	—	—	—	—	—
Godhra-Rutlam	—	—	—	—	—	3,700	19,500
Bhopal	4,977	8,458	10,434	8,228	9,670	12,000	12,000
Palanpur-Deesa	—	—	—	—	—	1,100	2,900
Warora Colliery	61,323	57,343	64,772	43,149	50,674	56,000	51,200
Wardha Coal				19,952	19,889	11,700	13,200
Bengal-Nagpur	127,058	147,176	234,881	303,037	309,681	317,500	340,000
Bilaspur-Etawah	—	—	—	—	1,321	—	—
Umaria Colliery	20,363	22,418	23,681	25,976	33,179	34,000	33,500
Burma	189,876	204,756	207,845	228,128	351,915	370,000	375,000
Tounghoo-Mandalay	32,545	120,702	108,278	110,167			
Mu Valley	—	—	—	12,039	54,010	55,000	55,000
Jorhat	5,707	6,231	5,797	6,090	5,495	5,700	6,000
Cherra-Companygunj	2,116	2,672	1,917	1,909	1,750	2,100	2,100
Eastern Bengal	490,105	510,317	542,205	626,279	561,639	535,000	550,000
Tirhoot	96,254	90,553	31,093	2,216	395,397	390,000	385,000
Bengal and North Western and Tirhoot	—	—	131,952	415,490			
Bengal Central	51,147	45,648	49,263	57,001	53,808	54,000	55,000
Oudh and Rohilkhand	54,558	343,935	350,043	381,473	368,691	390,000	410,000
Benares Branch	80						
Indian Midland	69,512	234,086	254,146	267,555	292,086	283,000	288,000
Bareilly-Pilibhit	6,592	7,300	7,893	—	—	44,000	44,000
Lucknow-Sitapur-Seramau	18,153	21,266	23,529	—	—		
Lucknow-Bareilly	—	—	4,428	33,108	42,737		
North Western	1,742,526	1,856,235	1,749,515	1,953,535	1,811,838	1,900,000	1,900,000
South Indian	—	—	70,577	497,698	507,014	501,700	500,000
Villupuram-Guntakal	—	—	1,344				
Villupuram-Guntakal—Nellore Branch	27,080	18,369	17,149				
Mysore	47,744	90,598	96,446	102,932	98,812	124,000	118,000
Bezvada Extension	—	6,083	5,837	5,828	7,038	7,100	7,200
East Coast	—	—	—	—	—	50,000	80,000
Guntakal-Hindupur	—	—	—	—	—	15,500	15,500
Mayavaram-Mutupet	—	—	—	—	—	—	15,200
Dhond and Manmad*	—	—	—	—	—	—	—
Southern Mahratta	298,965	330,529	336,715	350,996	323,709	425,500	397,500
Hyderabad-Umarkot	—	—	—	—	6,421	10,500	11,000
TOTAL	6,059,256	6,864,440	6,771,940	8,214,480	7,944,868	8,259,100	8,401,800
Net Traffic Receipts.							
East Indian	2,781,173	2,791,493	2,943,932	3,314,624	3,281,769	3,550,300	3,380,300
Dildarnagar-Ghazipur	2,409						
Nalhati	1,918	2,850	2,176	4,418	—		
Patna-Gya	26,109	26,756	28,010	34,788	16,347		
Rajputana-Malwa	933,409	917,356	925,039	1,117,231	1,228,894	1,190,000	1,215,000
Sindia	19,377	3,736	—	—	—	—	—
Godhra-Rutlam	—	—	—	—	—	5,300	28,000
Bhopal	535	— 542	— 1,657	4,861	5,840	6,000	8,000
Palanpur-Deesa	—	—	—	—	—	500	1,300
Warora Colliery	27,119	24,844	26,158	11,276	3,733	—	6,000
Wardha Coal				5,945	3,410	6,900	10,800
Bengal-Nagpur	36,459	70,981	84,510	334,280	293,578	332,500	340,000
Bilaspur-Etawah	—	—	—	—	— 1,321	—	—
Umaria Colliery	— 2,541	3,990	10,298	2,020	3,345	2,200	2,700
Burma	124,365	143,582	168,833	177,910	343,257	252,500	315,000
Tounghoo-Mandalay	— 644	40,747	85,032	99,861			
Mu Valley	—	—	—	1,575	— 30,856	— 27,500	— 25,000
Jorhat	257	— 185	401	311	1,146	1,300	1,200
Cherra-Companygunj	— 1,496	— 1,437	— 204	44	96	200	200
Eastern Bengal	580,484	635,410	677,907	520,104	621,326	725,000	670,000
Tirhoot	74,600	120,629	38,633	—2,216	143,001	145,000	155,000
Bengal and North Western and Tirhoot	—	—	188,648	73,364			
Bengal Central	21,242	27,343	24,784	19,109	24,198	24,000	24,000
Oudh and Rohilkhand	120,230	440,811	384,428	497,813	477,243	495,000	490,000
Benares Branch	620						
Indian Midland	38,642	80,644	77,762	168,457	152,268	172,000	192,000
Bareilly-Pilibhit	2,758	3,685	2,061	1,991	—	32,000	33,500
Lucknow-Sitapur-Seramau	7,275	10,622	10,200	—	23		
Lucknow-Bareilly	—	—	2,928	23,206	26,732		
North Western	830,664	1,049,181	981,259	1,355,475	758,040	1,080,000	1,050,000
Amritsar-Pathankot	8,738	10,154	11,225	11,224			
South Indian	—	—	76,467	228,286			
Villupuram-Guntakal	—	—	651	—	290,588	268,300	320,000
Villupuram-Guntakal—Nellore Branch	— 3,494	7,085	7,111	—			
Mysore	11,270	10,558	26,322	31,423	52,413	37,000	52,000
Bezvada Extension	—	1,584	1,636	2,909	2,840	3,700	3,800
East Coast	—	—	—	—	—	20,000	35,000
Guntakal-Hindupur	—	—	—	—	—	10,500	10,500
Mayavaram-Mutupet	—	—	—	—	—	—	7,300
Dhond and Manmad*	25,545	24,943	26,313	30,858	32,834	34,500	36,000
Southern Mahratta	100,841	76,604	120,421	126,307	139,407	144,500	172,500
Hyderabad-Umarkot	—	—	—	—	— 12	2,500	3,000
TOTAL	5,767,864	6,523,424	6,931,284	8,197,454	7,869,939	8,516,200	8,538,100

* The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.

APPENDIX II.—*continued.*

TABLE IX.—GROSS RECEIPTS, WORKING EXPENSES, and NET EARNINGS of IRRIGATION—MAJOR WORKS, for Five Years ending 1892–93, with REVISED ESTIMATE for 1893–94, and BUDGET ESTIMATE for 1894–95.

	ACTUALS.					Revised Estimate,	Budget Estimate,
	1888–89.	1889–90.	1890–91.	1891–92.	1892–93.	1893–94.	1894–95.
DIRECT RECEIPTS:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Orissa Canals	24,351	30,422	34,501	37,100	49,766	34,000	34,000
Midnapore Canal	25,180	27,761	23,720	28,470	28,018	27,000	27,000
Hidgellee Tidal Canal	5,517	4,195	2,804	3,692	5,346	5,500	5,500
Sone Canals	84,389	89,750	73,648	91,009	105,637	83,500	83,500
Ganges Canal	213,014	199,141	248,974	261,685	248,145	250,100	240.500
Lower Gánges Canal	123,382	133,309	140,604	178,594	180,863	180,000	172,100
Agra Canal	46,622	56,566	61,390	60,100	54,280	49,100	47,100
Eastern Jumna Canal	71,154	63,514	83,255	81,294	77,536	96,000	90,500
Betwa Canal	7,313	7,585	7,455	10,229	8,547	7,200	7,200
Western Jumna Canal (including Sirsa Branch)	90,170	113,116	160,321	151,127	117,126	110,300	133,000
Chenab Canal	3,768	7,711	9,793	10,294	19,100	37,500	59,000
Bari Doab Canal	139,232	139,663	149,559	169,840	231,345	203,200	210,000
Sirhind Canal	113,233	133,917	168,523	201,595	243,032	108,300	143,000
Swat River Canal	22,753	24,941	25,048	20,369	28,922	26,000	26,000
Godavari Delta System	10,653	11,492	12,236	11,096	11,974	12,000	12,000
Kistna Delta System	4,669	4,502	5,047	4,831	5,299	5,000	5,000
Sangam Anicut System	142	91	127	74	91	100	100
Desert Canal	7,037	5,193	2,803	974	2,872	3,500	4,200
Begari Canal	5,097	4,404	2,836	1,435	2,961	2,900	3,200
Eastern Nara Works	1,681	1,753	2,206	2,044	2,025	2,100	2,100
Mutha Canals	21,640	20,625	21,881	24,756	22,520	24,900	24,400
Nira Canal	1,029	2,756	3,609	4,449	8,550	7,700	8,700
Other projects	39,776	50,177	44,343	49,680	56,775	57,700	53,500
TOTAL	1,061,802	1,132,584	1,284,683	1,404,737	1,510,730	1,333,600	1,391,600
PORTION OF LAND REVENUE DUE TO IRRIGATION:							
Ganges Canal	44,301	54,731	66,446	69,008	71,559	71,600	71,600
Lower Ganges Canal	20,959	20,959	20,959	20,959	20,959	21,000	21,000
Eastern Jumna Canal	22,153	22,153	23,292	24,614	24,980	24,900	24,900
Western Jumna Canal	5,275	4,737	2,368	—	—	—	—
Chenab Canal	—	—	—	112	1,752	2,200	2,200
Bari Doab Canal	40,469	42,467	44,046	24,988	11,897	17,900	17,900
Godavari Delta System	195,920	200,371	204,703	215,151	222,382	225,600	228,000
Kistna Delta System	142,362	150,618	167,461	173,970	174,845	194,200	213,200
Sangam Anicut System	8,541	12,000	12,946	814	16,159	22,500	24,100
Desert Canal	11,030	13,120	12,854	1,458	8,969	9,400	14,000
Begari Canal	25,223	22,498	18,922	22,255	30,540	30,400	30,100
Eastern Nara Works	34,586	42,908	38,890	37,197	41,323	44,100	48,200
Mutha Canals	*—562*	*—538*	*—595*	*—718*	*—524*	—	—
Nira Canal	*—44*	*—128*	*—171*	*—213*	*—419*	—	—
Other projects	120,828	103,870	96,875	83,594	97,884	128,200	173,300
TOTAL	671,041	689,766	708,996	673,189	722,306	792,000	868,500
TOTAL REVENUE:							
Orissa Canals	24,351	30,422	34,501	37,100	49,766	34,000	34,000
Midnapore Canal	25,180	27,761	23,720	28,470	28,018	27,000	27,000
Hidgellee Tidal Canal	5,517	4,195	2,804	3,692	5,346	5,500	5,500
Sone Canals	84,389	89,750	73,648	91,009	105,637	83,500	83,500
Ganges Canal	257,315	253,872	315,420	330,693	319,704	321,700	312,100
Lower Ganges Canal	144,341	154,268	161,563	199,553	201,822	201,000	193,100
Agra Canal	46,622	56,566	61,390	60,100	54,280	49,100	47,100
Eastern Jumna Canal	93,307	85,667	106,547	105,908	102,516	120,900	115,400
Betwa Canal	7,313	7,585	7,455	10,229	8,547	7,200	7,200
Western Jumna Canal (including Sirsa Branch)	95,445	117,853	162,689	151,127	117,126	110,300	133,000
Chenab Canal	3,768	7,711	9,793	10,406	20,852	39,700	61,200
Bari Doab Canal	179,701	182,130	193,605	194,828	243,242	221,100	227,900
Sirhind Canal	113,233	133,917	168,523	201,595	243,032	108,300	143,000
Swat River Canal	22,753	24,941	25,048	20,369	28,922	26,000	26,000
Godavari Delta System	206,573	211,863	216,939	226,247	234,356	237,600	240,000
Kistna Delta System	147,031	155,120	172,508	178,801	180,144	199,200	218,200
Sangam Anicut System	8,683	12,091	13,073	888	16,250	22,600	24,200
Desert Canal	18,067	18,313	15,657	2,432	11,841	12,900	18,200
Begari Canal	30,320	26,902	21,758	23,690	33,501	33,300	33,300
Eastern Nara Works	36,267	44,661	41,096	39,241	43,348	46,200	50,300
Mutha Canals	21,078	20,087	21,286	24,038	21,996	24,900	24,400
Nira Canal	985	2,628	3,438	4,236	8,131	7,700	8,700
Other projects	160,604	154,047	141,218	133,274	154,659	185,900	226,800
TOTAL	1,732,843	1,822,350	1,993,679	2,077,926	2,233,036	2,125,600	2,260,100

APPENDIX II.—*continued.*

TABLE IX.—GROSS RECEIPTS, WORKING EXPENSES and Net Earnings of Irrigation, &c.—*continued.*

	ACTUALS.					Revised Estimate, 1893-94.	Budget Estimate, 1894-95.
	1888-89.	1889-90.	1890-91.	1891-92.	1892-93.		
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
WORKING EXPENSES:							
Orissa Canals	38,717	43,170	43,946	39,609	47,551	47,300	47,000
Midnapore Canal	20,035	20,067	19,925	25,733	18,658	22,200	25,000
Hidgellee Tidal Canal	7,535	2,572	5,197	4,867	3,177	5,500	5,000
Sone Canals	75,522	69,747	66,059	65,208	70,148	67,500	70,000
Ganges Canal	91,931	95,789	104,495	104,938	105,922	105,000	105,900
Lower Ganges Canal	96,850	90,792	88,981	84,774	83,174	76,500	78,900
Agra Canal	24,113	25,975	23,225	23,839	24,591	24,400	22,200
Eastern Jumna Canal	25,467	24,718	29,804	28,439	30,127	31,800	30,200
Betwa Canal	10,444	10,721	10,534	9,795	10,138	10,000	10,000
Western Jumna Canal (including Sirsa Branch)	47,536	47,917	56,050	48,207	49,092	61,000	54,500
Chenab Canal	7,835	9,823	8,951	10,724	25,327	29,900	35,000
Bari Doab Canal	56,561	56,970	56,593	72,424	67,691	53,000	52,500
Sirhind Canal	53,647	60,404	58,600	54,948	65,485	57,900	60,000
Swat River Canal	8,745	9,221	10,247	9,579	9,388	8,500	8,500
Godavari Delta System	52,221	46,792	56,050	51,569	54,694	49,500	49,800
Kistna Delta System	32,299	36,552	38,576	42,038	42,535	44,700	41,800
Sangam Anicut System	4,170	4,830	5,213	3,569	4,434	4,100	4,100
Desert Canal	2,718	3,690	3,715	11,152	9,422	7,100	3,000
Begari Canal	6,452	7,583	6,052	6,314	3,715	5,200	6,400
Eastern Nara Works	8,393	8,266	9,375	8,277	10,194	9,000	6,400
Mutha Canals	6,246	7,712	7,085	7,333	7,977	6,600	6,300
Nira Canal	1,716	2,466	2,734	3,882	5,175	5,200	5,200
Other projects	42,523	41,781	47,006	44,227	45,336	39,800	41,500
TOTAL	721,676	727,558	758,413	761,445	793,951	771,700	769,200
NET REVENUE:							
Orissa Canals	*—14,366*	*—12,748*	*—9,445*	*—2,509*	2,215	*—13,300*	*—13,000*
Midnapore Canal	5,145	7,694	3,795	2,737	9,360	4,800	2,000
Hidgellee Tidal Canal	*—2,018*	1,623	*—2,393*	*—1,175*	2,169	- -	500
Sone Canals	8,867	20,003	7,589	25,801	35,489	16,000	13,500
Ganges Canal	165,384	158,083	210,925	225,755	213,782	216,700	206,200
Lower Ganges Canal	47,491	63,476	72,582	114,779	118,648	124,500	114,200
Agra Canal	22,509	30,591	38,165	36,261	29,689	24,700	24,900
Eastern Jumna Canal	67,840	60,949	76,743	77,469	72,389	89,100	85,200
Betwa Canal	*—3,131*	*—3,136*	*—3,079*	434	*—1,591*	*—2,800*	*—2,800*
Western Jumna Canal (including Sirsa Branch)	47,909	69,936	106,639	102,920	68,034	49,300	78,500
Chenab Canal	*—4,067*	*—2,112*	842	*—318*	*—4,475*	9,800	26,200
Bari Doab Canal	123,140	125,160	137,012	122,404	175,551	168,100	175,400
Sirhind Canal	59,586	73,513	109,923	146,647	177,547	50,400	83,000
Swat River Canal	14,008	15,720	14,801	10,790	19,534	17,500	17,500
Godavari Delta System	154,352	165,071	160,889	174,678	179,662	188,100	190,200
Kistna Delta System	114,732	118,568	133,932	136,763	167,609	154,500	176,400
Sangam Anicut System	4,513	7,261	7,860	*—2,681*	11,816	18,500	20,100
Desert Canal	15,349	14,623	11,942	*—3,720*	2,419	6,800	15,200
Begari Canal	23,868	19,319	15,706	17,376	29,786	28,100	26,900
Eastern Nara Works	27,874	36,395	31,721	30,964	33,154	37,200	43,900
Mutha Canals	14,832	12,375	14,201	16,705	14,019	18,300	18,100
Nira Canal	*—731*	162	704	354	2,956	2,500	3,500
Other projects	118,081	112,266	94,212	89,047	109,323	146,100	185,300
TOTAL	1,011,167	1,094,792	1,235,266	1,316,481	1,439,085	1,353,900	1,490,900

APPENDIX II.—*continued.*

CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDISED RAILWAYS.

TABLE X.—ABSTRACT of BUDGET ESTIMATES of CAPITAL TRANSACTIONS of GUARANTEED and SUBSIDISED RAILWAYS, 1893-94 and 1894-95.

RAILWAYS.	AMOUNT IN RUPEES.			AMOUNT OF EXCHANGE.			AMOUNT IN POUNDS STERLING.		
	1893-94.		Budget, 1894-95.	1893-94.		Budget, 1894-95.	1893-94.		Budget, 1894-95.
	Budget.	Revised.		Budget.	Revised.		Budget.	Revised.	
GUARANTEED RAILWAYS.									
RECEIPTS.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	£.	£.	£.
Madras	23,50,000	21,00,000	22,00,000	1,96,000	1,75,000	1,83,000	215,400	192,500	201,700
Bombay, Baroda, and Central India	27,50,000	25,25,000	28,75,000	2,29,000	2,10,000	2,40,000	252,100	231,500	263,500
Great Indian Peninsula	71,50,000	70,50,000	71,50,000	5,96,000	5,88,000	5,96,000	655,400	646,200	655,400
TOTAL	1,22,50,000	1,16,75,000	1,22,25,000	10,21,000	9,73,000	10,19,000	1,122,900	1,070,200	1,120,600
ADVANCES.									
Madras	19,00,000	17,25,000	19,00,000	1,58,000	1,43,000	1,58,000	174,200	158,200	174,200
Bombay, Baroda, and Central India	16,00,000	17,25,000	20,50,000	1,33,000	1,43,000	1,71,000	146,700	158,200	187,900
Great Indian Peninsula	41,60,000	41,50,000	45,00,000	3,47,000	3,46,000	3,75,000	381,300	380,400	412,500
TOTAL	76,60,000	76,00,000	84,50,000	6,38,000	6,32,000	7,04,000	702,200	696,800	774,600
NET RECEIPTS.									
Madras	4,50,000	3,75,000	3,00,000	38,000	32,000	25,000	41,200	34,300	27,500
Bombay, Baroda, and Central India	11,50,000	8,00,000	8,25,000	96,000	67,000	69,000	105,400	73,300	75,600
Great Indian Peninsula	29,90,000	29,00,000	26,50,000	2,49,000	2,42,000	2,21,000	274,100	265,800	242,900
TOTAL	45,90,000	40,75,000	37,75,000	3,83,000	3,41,000	3,15,000	420,700	373,400	346,000
SUBSIDISED RAILWAYS.									
RECEIPTS.									
Capital received in India:									
Nilgiri Railway	10,00,000	7,00,000	6,25,000	-	-	-	100,000	70,000	62,500
Lucknow-Bareilly	—	—	—	—	—	—	—	—	—
Gain on Remittances to India:									
Southern Mahratta	-	-	-	3,24,000	1,00,000	3,05,000	—32,400	—10,000	—30,500
Mysore	—	—	—	—	—	—	—	—	—
Assam-Bengal	-	-	-	3,60,000	1,70,000	4,55,000	—36,000	—17,000	—45,500
Indian Midland	-	-	-	2,33,000	1,66,000	3,44,000	—23,300	—16,600	—34,400
Bengal Central	-	-	-	3,000	3,000	5,000	—300	—300	—500
Bengal-Nagpur	-	-	-	1,61,000	98,000	1,05,000	—16,100	—9,800	—10,500
Lucknow-Bareilly	—	—	—	—	—	—	—	—	—
TOTAL	10,00,000	7,00,000	6,25,000	10,81,000	5,37,000	12,14,000	—8,100	16,300	—58,900
WITHDRAWALS.									
Southern Mahratta	—4,79,000	—1,35,000	—1,00,000	—80,000	—22,000	—17,000	—39,900	—11,300	—8,300
Mysore	6,79,000	1,15,000	2,40,000	1,72,000	29,000	60,000	50,700	8,600	18,000
Assam-Bengal	74,50,000	58,38,000	37,47,000	23,18,000	17,84,000	11,45,000	513,200	405,400	260,200
Indian Midland	6,23,000	—12,000	4,78,000	1,25,000	—2,000	96,000	49,800	—1,000	38,200
Bengal Central	1,24,000	20,000	29,000	35,000	5,000	7,000	8,900	1,500	2,200
Bengal-Nagpur	13,55,000	7,13,000	84,000	3,13,000	1,64,000	19,000	104,200	54,900	6,500
Lucknow-Bareilly	1,81,000	2,31,000	1,23,000	68,000	87,000	46,000	11,300	14,400	7,700
Nilgiri	10,00,000	7,00,000	6,51,000	-	-	-	100,000	70,000	65,100
TOTAL	1,09,33,000	74,70,000	52,52,000	29,51,000	20,45,000	13,56,000	798,200	542,500	389,600
Net Withdrawals	99,33,000	67,70,000	46,27,000	18,70,000	15,08,000	1,42,000	806,300	526,200	448,500
GUARANTEED AND SUBSIDISED RAILWAYS.									
Net Withdrawals	53,43,000	26,95,000	8,52,000	14,87,000	11,67,000	—1,73,000	385,600	152,800	102,500

ABSTRACT of the Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict., c. 67, and 55 & 56 Vict. c. 14).

The Council met at Government House on Tuesday, the 27th March 1894.

PRESENT:

His Excellency the Viceroy and Governor General of India, P.C., LL.D., G.M.S.I., G.M.I.E., *presiding*.
His Honour the Lieutenant Governor of Bengal, K.C.S.I.
The Honourable Sir A. E. Miller, KT., Q.C.
The Honourable Lieutenant General H. Brackenbury, C.B., R.A.
The Honourable J. Westland, C.S.I.
The Honourable Sir A. P. MacDonnell, K.C.S.I.
The Honourable Dr. Rashbehary Ghose.
The Honourable Sir G. H. P. Evans, K.C.I.E.
The Honourable Fazulbhai Vishram.
The Honourable C. C. Stevens.
The Honourable Sir Luchmessur Singh, K.C.I.E., Mahárájá Bahadur Durbhanga.
The Honourable Gangadhar Rao Madhav Chitnavis.
The Honourable H. F. Clogstoun, C.S.I.
The Honourable W. Lee-Warner, C.S.I.
The Honourable P. Playfair.
The Honourable Mahárájá Partáb Narayan Singh of Ajudhiá.

Discussion of the Financial Statement for 1894-95.

The Honourable Mr. *Playfair* said:—"My Lord, I feel compelled to express regret that the Government of India has not been able to afford to the members of Your Excellency's Council a longer time to consider the very voluminous statements of financial affairs presented to the Council on the 22nd instant by the honourable member in charge of the finances. Owing to the intervention of Eastertide there has been practically only one day of business between then and now, in which interval it has been impossible to obtain the deliberate opinion of the mercantile community upon the Budget.

"My Lord, at the present time no one can take into consideration an Indian Budget without dealing with questions relating to the army. The Honourable the Finance Member gives the satisfactory assurance that the measures for the defence of the country have been nearly completed, but he does not enlarge upon the remarks on the army made in paragraph 21 of his statement presented to this Council on the 10th instant. There are many who would have been glad if he had met with some degree of fulness the arguments raised in certain quarters for the reduction of military expenditure. I am not, my Lord, inclined to treat the army as a financial reserve, and I hold that the security for peace within, as well as without, our borders must be the first consideration of the State. Having before me the Honourable Mr. Westland's observations, I shall await with much interest the remarks of my honourable friend the Military Member of Your Excellency's Council on this important subject.

"The accounts of the past year increase the apprehension that income from opium is a diminishing factor in the revenues of India. Unusual influences appear to have been at work during the year. A small crop and restricted sales have been associated with low prices, which is contrary to previous experience. It would be interesting to know how far the honourable member in charge of the finances attributes this result to the operations of the Currency Act of June last, to which a slight allusion has been made in paragraph 135 of his statement, and how far his low estimate of the value of the crop of the current year is based upon the anticipated effects of that Act. It would be

further of interest to know whether the successive failure of crops is attributable to climatic influences, or whether there are grounds for the apprehension that the price now paid to the cultivators of Rs. 5 per seer for opium of standard consistency has become unattractive in being too low.

"The public in India have been waiting with keen expectation for a further expression of the views of the Government of India on the currency question, and especially the effects, financial and economic, of the working of the currency measure introduced on 26th June last; but here again the honourable member in charge of the finances is reticent. Even more immediate in its bearing upon the present financial statement would have been an exposition of the grounds on which in paragraph 133, in the face of market rates which are apparently being still dragged down by the continuing depreciation in the value of silver, he has assumed 1*s.* 2*d.* as the rate of exchange for the Budget of 1894-95.

"A year ago the Finance Member of Your Excellency's Council claimed to be excused for budgeting for a deficit, pending the receipt by Government of the report of the committee headed by the Lord Chancellor of England upon the financial situation. The tone of his remarks indicated that it was not a desirable conclusion to budget for a deficiency. In the estimates for the ensuing year the figures that have now been placed before the Council result in a deficiency of Rx. 302,000, which is arrived at, after additional import duties have been taken into account, by the absorption of the famine railway expenditure, and after provincial governments have been called upon to surrender a portion of their balances. The prospective deficit of 1894–95 follows upon an estimated deficiency of Rx. 1,793,000 in the accounts of 1893–94. This review of the situation is certainly not exhilarating, but I am relieved to find that, in addition to the elastic character of the revenues of India, which it is again a pleasure in connection with this Budget to observe, a closer examination of the expenditure to a certain extent shows that the position of the accounts of the Empire is not so bad as it may on the surface appear to be. Revised estimates for 1893–94 show a deficit of Rx. 1,793,000, being worse than the Budget by Rx. 138,000. I find, however, that the whole of the home payments during the year have been converted, as customary, into Rx. at the actual exchange rate realised upon the remittances of the year, namely, 1*s.* 2·6*d.*, resulting in a total charge of Rx. 10,243,100 in the expenditure and revenue account, while the Secretary of State's drawings have not amounted to the sterling payments, but have fallen short of the estimate of last March by £9,300,000, and therefore the total charge of Rx. 10,243,100 has not been actual expenditure. In other words, the true loss by exchange during the year has been Rx. 5,027,500 on revenue and Rx. 512,500 on capital account, making a total of Rx. 5,540,000, and not Rx. 10,634,800 as stated in these accounts. The balance appears to be adjusted under the heading 'Exchange on Remittance Account' as a sub-head under 'Deposits and Advances,' page 62 of the statement, by the credit entry Rx. 5,094,800. With due submission I think this involves an error in book-keeping. All subordinate headings which properly come under 'Deposit and Advances' close to balance, but exchange is a sub-heading which closes to profit and loss; therefore the adjusting credit entry of Rx. 5,049,800 should be removed from 'Deposits and Advances' and be pushed up to the profit and loss, *i.e.*, into the income and expenditure portion, of the account. On this being done, it appears to me that the amount of Rx. 5,094,800 would either be deducted from the expenditure or be added to the revenue. The result then would be a visible surplus for the year 1893–94 of Rx. 3,301,800 instead of a deficit, as set forth, of Rx. 1,793,000. There is, therefore, a surplus and not a deficit on the revised estimates of 1893-94. In the same manner, if the adjusting credit entry Rx. 413,400 under the sub-heading 'Exchange on Remittance Account' of the Budget Estimate of 1894-95 be transferred to its proper place in the Income and Expenditure Account, the result will be a surplus of Rx. 111,400 instead of a deficit as shown of Rx. 302,000. I would submit, therefore, that I am justified in the remark that the accounts are not so bad as they at first sight appear. It would afford relief to commerce were the Secretary of State to definitely decide how his arrears are finally to be dealt with. At present they hang over the country like the sword of Damocles.

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"I fully recognise the readiness, and the soundness of the principle, with which the Government of India has addressed itself to the requirements of the future to meet the probable deficiency in the accounts of 1894-95, if Home payments have to be met in full at the present, or even a lower, rate of exchange. And I think it is necessary, as well as very desirable, that the Government should have reviewed the Imperial and provincial expenditure, with the object of endeavouring, where possible, to counteract extravagance or stop unnecessary outlay. But, when the method of supplementing revenues results in an intrusion upon reserve funds and upon resources upheld for the development and protection of the country, and curtails the scanty means at the disposal of provincial governments, I think such means of balancing income and expenditure must be approached with very grave and serious anxiety.

"To meet the financial obligations of the ensuing year, it is proposed to absorb Rx. 1,076,200 of the Famine Grant, to take from the local governments Rx. 405,000, and to obtain from new import duties Rx. 1,140,000, making a total of Rx. 2,621,200. With regard to the absorption of the Famine Grant, I understand the original idea in connection with this compelled surplus was that the Government of India should have always a margin of revenue to be instantly applied to the relief of famine as it arose; but, if this margin were not so applied during any one year, it was not to be brought into general revenues, as it might then be used to the reduction of taxation, but was to be spent in taking precautions against famine by the construction of preventive and protective works, and latterly, in addition, to the meeting of interest payments on the capital of certain railways declared by the Secretary of State to be protective in their character. In the Minute issued on 12th March 1878, by a predecessor of your Excellency, Lord Lytton, he stated that the sole justification for the increased taxation placed upon the people of India for the purpose of insuring the Empire against the calamities of future famine, was the pledge that a sum of not less than a million and-a-half sterling shall be annually applied to it, and his Lordship explained that an additional revenue raised by the new taxes was required not for the luxuries but for the necessities of the State, not for general purposes, but for the construction of a particular class of public works, and that a pledge had been given by the Government of India not to spend one rupee of the special resources thus created upon works of a different character. And, finally, Lord Lytton remarked—I use his own words—'to carry out adequately the engagement, thus publicly contracted, immediate, consistent, and persistent adherence to certain lines of conduct on the part of the Central Government is absolutely necessary.'

"My Lord, I do not know that the public revenue can be applied to a better purpose than to that of saving the lives of those who pay it. The assurances of Lord Lytton, speaking with all the great authority of the Viceroy, were received by the whole country as a satisfactory and just settlement of that controversy as to the application of the Famine Insurance Fund, which it was felt on all hands had placed the Government in an invidious and undesirable position towards the people of India. Confirmed by your Excellency's distinguished predecessor, Lord Lansdowne, successive budgets have shown that the Government has acted up to Lord Lytton's pledges.

"Unless, therefore, the Government of India is now prepared to say—and I presume it is not—that an adequate net-work of subsidiary railways has been completed throughout the Empire, and that the precautions initiated for the protection of the people from the financial, as well as from the material, consequences of famine have been completed, the proposal now made to trespass upon this Famine Fund for purposes other than that for which it was created appears to me to be a regrettable deviation from a policy that was wisely adopted and carried out by the Government of India.

"Had the Government of India no alternative, there might be no option but to make use of this reserve fund. But, if there is at hand another and more appropriate method of meeting the requirements of the revenue by an equitable and convenient system of taxation to which the community at large would not object, it appears to me that in the interests of the State resort should be had thereto.

"If the absorption of the Famine Fund and the contribution of Rx. 405,000 required from the local Governments means a reduction in expenditure of the Public Works Department, I presume it must imply not only the postponement

of the construction of railways, roads and canals, but also the throwing out of employment of a large body of servants and labourers, and the imposition of enforced idleness upon the department, which must be prejudicial alike to the department and to the best interests of the State. The gravamen is not even confined to this view of the matter. This requisition of Rx. 405,000 follows upon the retrenchment effected two years ago, when the renewal of provincial contracts brought back to the Government of India the annual sum of Rx. 466,300 from Provincial Funds, a measure made necessary by the financial pressure which was deplored by the Supreme Government as contracting the resources of the local Governments by an equal amount, curtailing expenditure on the improvement of the internal administration of the several Provinces in India, and restricting the progress of useful provincial expenditure. Adding to these sums the estimated cost of exchange compensation payable by provincial Governments, amounting to Rx. 232,100 for 1893–94 and to Rx. 400,400 for 1894-95, we have a cash demand upon the provincial Governments within three years of no less a sum than Rx. 2,436,400. Of this amount the finances of 1894-95 are called upon to contribute Rx. 1,271,700. Such a sum cannot be withdrawn without injustice to the local Governments, compelling them to arrest useful and necessary works, and probably crippling their advances to agriculturists. I feel justified in adding that such a policy partakes rather of parsimony than economy, and diminishes the available resources of the people, so that the result may restrict the commercial transactions between India and England far more seriously than that erroneously feared as a possible result of the imposition of cotton duties. If Government determines to pursue this policy, the only hope I can express in the interests of these Provinces is that, following the example set after the termination of hostilities with Afghanistan, the sums now taken from the local Governments will be restored to them when the finances admit.

"My Lord, stagnation is already upon the country. During the past year sanction has been given to the construction of only 136¾ miles of additional railways, which can be characterised as nothing short of starvation allowance to the wants of this great Empire. This year, it is to be presumed, no additions will be sanctioned, and apparently no railway surveys of importance are contemplated. Nothing will be done but that which the Government cannot refrain from doing. Among the important decreases of expenditure set forth under paragraph 122 of the Financial Statement are included 'Construction of Protective Railways Rx. 1,054,300, Construction of Railways Rx. 50,700, Civil Works Rx. 408,600, making a total of Rx. 1,513,600, and implying a direct and most forcible restriction upon the trading and protective development of the country.' On the other hand, I find there are some among the mercantile community who, looking at the closing cash balance in India of Rx. 21,684,256 in the Budget for 1894–95, advance the suggestion that from this cash balance the Government has the means to enlarge the expenditure not charged to Revenue for the construction of additional lines of railway by a sum of about Rx. 5,000,000. This indicated surplus represents part of the Secretary of State's borrowings, and therefore capital, and, unless employed for the benefit of the country, must lie idle, while incurring interest payable at home. It has been more than once admitted that with the growth of their railway enterprises the Government of India is becoming more and more deeply concerned in the development and progress of Indian trade. To keep pace with the development of trade and the course of commerce throughout the world, and to admit of rivalry with the great producing countries in the far West, the Government of India should study to keep India in such a position as will enable her to compete successfully. As a contrast to India, we may look to the activity of the United States of America, where the length of railways amounts to 170,000 miles, compared with the 18,000 miles in India, and where progress has been made at a rate, not of 136¾ miles a year, but of 5,200 miles per annum during the past five years. The better equipment of rolling stock on these Western lines also permits of the transport of a much larger proportionate quantity of goods or produce, per mile of railroad, than it is possible for our well-managed but scantily equipped railways in India to undertake—I refer here to goods trucks and locomotives, and not to passenger cars, a comparison of coaching returns being in favour of the Indian railways. As the Western countries are competitors with India in the transport of produce to England, and as there is

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an increasing demand for cheaper carriage throughout the world, India may be left standing if she does not determine to move with the times, of which movement, however, the present Budget gives but faint hopes. Within our own border, and with a population growing at the rate of three millions per annum, there is an increased struggle for existence, as well as a struggle with other countries for trade; and not only does this give cause for serious consideration in the event of failure of crops, but is a reason why the attention of the Government should be devoted to the further development of the resources of the country, the means of promoting that development being under their control. Considering such circumstances I cannot but deplore the fact that the Government should have resolved for any reason whatsoever to divert the money, in itself not too large an amount, set apart for the construction of railroads to protect the people from the consequences of famine, and by so doing to arrest a series of measures recognised by the people to be indispensable to their welfare. This decision, my Lord, is further to be regretted, when the Government have at hand, as I think they have, and as I endeavoured in this Council on the 10th of this month to place within their power, a measure for strengthening the finances of the country by imposing that duty upon imported cotton goods which, in itself, according to the declaration made by the Honourable Finance Member, would almost provide the sum of money the Government now proposes to take from the Famine Insurance Fund and from the local Governments. Successive Financial Members of your Excellency's Council have most willingly borne testimony to the elastic and progressive character of the internal finances of India, and the Honourable Mr. Westland has repeated his appreciation of India's capabilities, but, as this desirable result has been attained by a liberal and progressive treatment of the country, it cannot be expected to continue when that policy is reversed, as it has been in the present Budget. The outlook of the future is, on this account, depressing."

The Honourable *Gangadhar Rao Mahdav Chitnavis* said:—"My Lord, it seems specially unfortunate that, on the occasion of a new and sympathetic Viceroy, we should have to encounter a position of financial difficulty which must render almost impossible such measures of administration as he would doubtless wish to promote during his term of office.

"The difficult position of the Honourable Finance Minister also cannot but evoke sympathy from all parts of the country. He is like a man who has to swim with his hands and feet tied. With freedom of action, there would be not only the hope but the possibility of success. He is not permitted to adopt the measures which in the opinion of those most competent to judge are necessary in the circumstances, though not perhaps from abstract theory. The finances should be placed in a solvent state, and the administration freed from the embarrassment which is a bar to the successful government of the country. But we are face to face with difficulties which must be met, and the question is whether the means proposed by the Finance Minister are such, as to best meet the requirements of the position, or commend themselves to the public on whom the burden of taxation falls. The means proposed are, however, not in the opinion of some sufficient to establish the desired equilibrium between income and expenditure, and are confessedly only of the order of expediency imperfectly indicated, under the plea of the year being a 'transition period.'

"The measures adopted to meet the requirements of the position are of two kinds: one is the diversion of a fund that should not be diverted according to promises made by successive rulers; and the other is the refusal to adopt available and legitimate means to replenish the exchequer, not by questionable temporary expedients, but by imposts of a permanent character not objectionable on any ground as regards the people of this country. One of the measures adopted to meet the financial situation is the resumption of the Famine Fund. This proposal has evoked, I respectfully submit, strong feeling throughout the country, because, besides weakening the assurance against famine, it is a direct violation of promises on the part of the Government, which even the exigencies of the Government at the present time must in the eyes of many fail to justify.

"The object of that fund and the pledged word of the Government have invested it with a sacredness which should save it from violation for a 'period of transition,' inasmuch as even this so-called temporary policy of one year may

become the precedent of permanent alienation. The Famine Fund was instituted in 1877, and, to make assurance doubly sure, the Viceroy and the Finance Minister of the period were at pains to meet the objection that such a fund might be diverted as is now proposed.

"Lord Lytton, the Viceroy, is said to have used the following language in connection with this fund:—

> 'We have explained to the people of this country that the additional revenue raised by new taxes is required not for the luxuries but for the necessities of the State, not for general purposes, but for the construction of a particular class of public works, *and we have pledged ourselves not to spend one rupee of the special resources thus created upon works of a different character.*'

(The italics are mine.)

"Lord Lytton, the Viceroy, further declared that it was a calumny for any one to even insinuate that the fund would ever be used for any other purpose than the one declared. How in the face of these pledges, and the moral obligation which they impose on the Government, the fund can be alienated as proposed, it is impossible for many who have studied the matter to conceive.

"The second resource of the Honourable the Finance Minister is the call upon the Provincial Governments for increased contributions. This, the Honourable Member says, is to force upon them severe economies and appropriate the results to Imperial account. This is a mild way of representing the Imperial method of crippling the local administrations, while it is by no means clear that the possible scope of economy in Imperial expenditure has been realised. On the contrary, there is a widespread belief that there are many items of expenditure unwarrantably high and increased charge rather than reduction intimated (as, for example, in printing and stationery, &c., which charges are said to have grown to an extravagant extent and ought to be reduced). It may seem an easy thing to squeeze the local Governments, but such a course simply means the weakening of the administration in matters that come more directly in contact with the people, and would be more felt by them than the action of the Imperial Government. And it may drive the local administrations either to the imposition of fresh burdens or to neglect of duties and postponement of the performance of other improvements which it is their province to discharge.

"It is the local governments who are primarily responsible for the good administration of their respective Provinces, and, when they find that the Imperial Government must not only have to be supplied annually with a large fixed allotment, but also that, to use the Honourable the Finance Member's words, 'all the fruits of careful administration must be surrendered to fill the yawning gulf of our sterling payments,' when I say the local governments find themselves in such an unenviable position, the only alternative left to them is to exhaust the taxable resources of the people immediately under their charge.

"It was, as the Finance Minister says, only two years ago that the present contracts were entered into with the local Governments, and no measure of apology would, in the opinion of many, justify a revision of those contracts so soon again. Such a revision means—I use the words of the Finance Minister again—the stoppage of all administrative improvements. Education is already starved, at least in my Province, and who knows that further curtailments of educational grants in the country will not be the order of the day? Prison reforms, so long begun as in the year 1838, will still have to be postponed till a future date. The police is already undermanned, and in some instances even underpaid, I mean, of course, the lower ranks of it; and any attempts to cut down the number or pay of the constabulary is likely to lead to loss of protection of the people and introduce still greater corruptions in the service. I do not know whether it will be possible to cut down the grants to the medical department. Roads and communications require to be looked after and require further developments, and I do not quite see which of the various branches under their control the local Governments mean to starve. If the local Governments are to be thus denuded of their resources, the effect

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can only be disheartening, even though apparently submitted to with loyal compliance.

"In a Province where settlements are in progress the people have rightly or wrongly to fear a good deal under the force of such a policy. They always entertain the idea that attempts will be made to increase their burdens and thus increase the resources of the State, to enable the local governments to furnish their full quota. Their apprehensions may be wrong and ill-founded, but I have ventured to state what the feeling is likely to be under the circumstances. The position of the executive officers who have to work out these settlements and take the whole blame on their heads is a most unenviable one.

"The third resource of the Finance Minister for meeting the deficit is the re-imposition of import duties. This is a legitimate source of revenue, and is adopted by most countries. I do not propose to enter at length into the subject of the exemption of cotton fabrics, as that has been fully discussed, with the concensus of opinion of all impartial authorities that such exemption is altogether without justification; and, after the intimation of the Secretary of State as to the possibility of reconsideration, I shall, in common with the majority of my fellow subjects, regret if further consideration be not given and the exemption removed. Such a course would meet the exigencies of the present financial position, [redacted] with other measures that are deemed practicable, might obviate the assum[redacted]ity of alienating the Famine Fund, and even afford relief in other re[redacted]

"The public are by [redacted]s assured that economy in the Imperial expenditure has been carrie[redacted]r as it might be without the least detriment to the efficiency of the service. It is even thought possible, though it is in my opinion a mistake, that increased efficiency might be obtained at less cost. The Famine Fund might be used for its legitimate purposes, with every advantage to the country from its expenditure, without using it as a makeshift for a 'period of transition,' while there is no prospect of a like sum being yearly available, as there would be in the income from import duties.

"Another matter in which there seems considerable room for retrenchment is the home charges. Though a large portion of these may not admit of reduction, as the interest on loans, pensions, and fixed charges, there is a considerable percentage of expenditure for stores which might be supplied either locally or on commercial terms much more advantageously than through departmental agency. And there are certain charges made exclusively against India which might more equitably be paid or at least shared by England; nor is it altogether equitable that the charges for frontier wars should be met so largely from the Indian treasury.

"Again, the question occurs to many as to whether it is clear that the financial policy of the Government of India has been conducted on economic principles. There have been references to the 'unprecedented treasury balance of over twenty-six crores of rupees.' The loan of three millions issued last year has simply had the effect of swelling the balance, with a loss by discount on issue of Rx. 133,000 and the interest that had accrued on the loan since its issue. This is a considerable item to pay for holding money unfructuous in the treasury, and it is only poor compensation to be told that 'the three and a-half per cents. are now above par.' The only advantage of the loan seems to have been to show that the credit of the Government of India has not yet collapsed. In this respect, too, something might be said of the needless and unjustifiable purchase of large quantities of silver imported for speculative competition with the bills of the Secretary of State; and also respecting the tardy imposition of the inadequate duty which is now imposed. The obvious object of these importations was to compete as a means of remittance against Council bills, and the effect has been to seriously lower the rate of exchange and to necessitate the increase of taxation, unless use can be made of some portion of the treasury balance to obviate the necessity. Now, why should not some of the needlessly large treasury balance be utilised, instead of appropriating the Famine Fund? Of course, it is needful to hold a sufficient treasury reserve to ensure the convertibility of the paper currency. But it has been asserted again and again that about a third of the present enormous balances would suffice for that purpose; and, even admitting that there must be money kept to meet the drawings of the Secretary of State, there appears ample margin

for that, if not also to afford some relief from taxation, instead of seeking means of increasing it. The public would be grateful for a modification of the income tax, especially in the lower scale of its incidence, which is always the means of oppression which the poor are least able to resist or escape. Of course, after the finances resume their normal state, I would submit, if the whole of that obnoxious impost could be removed, the greater would be the satisfaction to its unfortunate and hard-worked victims. The income tax, if I may be allowed to say so, is in my individual opinion quite unsuited to the circumstances of this country. In the case of some it is a tax which presses very heavily, as they cannot afford to escape from it; while, in the case of others, it, I make bold to say, is an incentive to dishonesty.

"In connection with the above impost, I shall only be expressing the views of the non-official community in saying that it is likely to be felt a hardship that the product of that impost should be absorbed by the grant of compensation to the services for loss by exchange. They admit that it is a hardship upon the members that their incomes should be diminished by loss in exchange. It must also be admitted that the public servants are rendering good and noble service to the country at a great sacrifice of their health, intelligence, energy, and personal comfort, and the people are greatly beholden to them for the great administrative improvements they have been able to confer upon them, and surely the State is also bound to give them [redacted] relief; but whether some distinction should not have been made, and [redacted] drawn between the older officers and others, and those who have [redacted] mittances or not, is a question.

"Looking at the position generally, all th[redacted]ses referred to are presently in need of the greatest sympathy—the Ruler of the country claims our respectful sympathy in the embarrassment of a very difficult position, his Council between the two fires of their consciences and the orders of the Secretary of State, the Provincial Governments in their crippled resources blighting their hopes and aspirations, the services with their salaries practically reduced, the commercial and trading communities in a state of uncertainty, the landholding classes always in dread of short and recurring settlements and over-assessments, and the general public the final victims of all these uncertainties, the position is really not a happy one. But our duty is plain, to offer to the Government our most loyal support, to give them such advice as our limited experience may suggest in the modification of their measures, and the application of them to the requirements of the country. I have thus respectfully ventured to make certain suggestions which I believe would be beneficial, and which I hope will be taken in the spirit in which they have been submitted, and at the same time would become acceptable to the people. I trust that what has been suggested will commend itself alike to the judgment of your Excellency and the Council and the Government here and in England."

The Honourable the Maháráját of *Ajudhia* said:—"My Lord, I approach the subject of the Budget with considerable diffidence. It is full of details with which I am unfamiliar. Fortunately there is no necessity for me to weary Your Excellency and the Council with criticisms of these matters, which I can safely leave to more experienced hands. But there are also connected with the Budget large questions of principle as to which every one possessing self-respect should be able to sustain the opinion he may himself hold. To me then the Budget is not a mere official statement of the revenue of the Empire; it is the one measure which, recurring year by year, presents to the people of India a standard by which to measure the devotion of the rulers to the interests of the ruled. My Lord, if there is one thing of which Englishmen should be proud, it is the testimony borne almost invariably by a long series of Budgets to their comprehension of India's needs and their earnest wish to satisfy those needs in an adequate manner. If there have been exceptions, I should be inclined to regard the present Budget and those of 1878 and 1882 as most open to animadversion. Before, however, touching on that matter, I would crave Your Lordship's indulgence if I dwell briefly on what appear to me to be the chief defects of the Statement before the Council.

"My Lord, we all know how keen and resolute a controversy has raged in this country on the closing of the Mints and on the continued fall in exchange. In relation to these matters, and speaking for the people of my own Province, I may say that what is wanted is guidance. There is a widespread alarm at the

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way things are drifting. The people are unable to accurately appraise their reserved resources. They wonder what the value of their silver may be, and whether they should retain their gold or convert it into a depreciated substitute. The Budget says as little as possible on these two interesting questions. It does not say enough to establish confidence, or to give the public an assurance which may encourage them to believe in the wisdom of patience.

"Then again, my Lord, in Oudh the people have a direct interest in opium. I confess I am not encouraged by what the Honourable the Finance Minister has said about the opium revenue. In fact, I may go further and say I am distinctly discouraged at the prospects of this branch of the revenue. I admit that there might be an excuse for reticence in the fact that a Royal Commission on Opium has yet to submit its report; but the excuse, it seems to me, is overridden by the crisis in which the Government finds itself. Is the falling-off in the income from opium due to a permanent defect of the Indian drug, to the encouragement of the growth of the poppy by the Government of China, or to causes within India itself, within the competency of Government to remove? The present Budget, my Lord, is nowhere a budget of hope, but as regards opium it is almost a budget of despair.

"I notice also that the Provincial Governments have been called upon to contribute from their balances towards the necessities of the Central Government. This is a policy all thinking men will deprecate, unless the need is of so urgent a character as to make it imperative that those balances should be appropriated in order to stave off the infliction of some new burden. In the present case this rule will not apply, and the provincial balances are drawn upon in order to enable the Government to abstain from placing an import duty on cotton goods.

"This, my Lord, brings me to the real subject of my remarks upon the Budget. It is in a sense peculiar and unusual, a historical document. It brings forward in a pronounced form a policy enunciated in 1878 and 1882, and which then startled the country and led to loud protests, the echoes of which were heard in the discussions which took place in this Council. Then, my Lord, the cry was for Free Trade, but that cry must now be abandoned when it is openly urged in England that the claims of Manchester must be regarded even at the expense of this country. On the 10th March 1882, my honoured friend, Mahárájá Sir Jotendro Mohun Tagore, spoke of the 'neglect of justice to India in consideration of the interests of Manchester manufacturers.' I am quoting the interpretation put upon my friend's speech by Lord Ripon. His Lordship in meeting that charge declared, 'From the earliest period of my public life I have been an earnest and consistent advocate of the fiscal principles of the Free Trade party, and I have been so because I believe these principles are principles of general application calculated to confer the largest benefits upon the great mass of the community of any nation to which they may be applied.' Holding such views, Lord Ripon declared himself desirous 'of having a hand in conferring upon the people of India the benefit of the application of principles which I believe to be calculated to conduce to their permanent advantage and prosperity.' Here, my Lord, the policy of Government was declared in emphatic language by its head and chief. But Lord Ripon went further than this. He declared the financial interest of India, that which Sir John Strachey, quoted recently by my honourable friend, Mr. Playfair, called 'the financial independence of India,' to be an object of which Government should never lose sight. He said:—

> "'And I can say that, if I did not entertain that opinion, if I thought that the course which the Government is about to take with respect to these Customs duties was a course that would benefit England at the expense of India, I would not have been induced by any consideration to be a party to such a proceeding. I desire, so long as I may hold the position I have now the honour to fill, to govern India in the interests of India and for the benefit of her people, and I would not consent to be a party to any measures which I did not honestly believe would conduce to that great end.'

"My Lord, it is conceivable that a crisis may arise when India may be called upon to undertake sacrifices for the benefit, not of herself alone, but of the

Empire at large, of which she is proud to form so important a part. Should such a crisis ever compel the Government to appeal for such a reason to the people, the appeal would be loyally and cheerfully responded to. No such necessity has, however, arisen. The fall in the value of the rupee has caused serious embarrassment to this country. There is an urgent demand for an increase to the revenue, a demand so urgent as to compel the Government to reverse the Free Trade policy so strongly recommended to the country twelve years ago by Lord Ripon. And what is the result? India, which because of that Free Trade policy abolished her import duties, has had to submit to that most distasteful of all fiscal measures, direct taxation, and now finds herself compelled to look to import duties as a permanent relief to her distresses. The principle of Free Trade is abandoned, and, rather than admit this all round, the Famine Insurance Fund controversy is reopened, railways are suspended, provincial balances are drawn upon, and, worst of all, the special advocacy of Indian interests no longer forms a feature of the discussions on the Budget. An honourable member on a recent occasion assured your Lordship that the masses of the people never heard of the debates in this Council. That is true in part, but only in part. The masses may not follow debates, the eloquence of which they would not appreciate, but they do follow the measures of the Government. These measures are discussed far and wide. The principles on which they are based are, it may be, above the heads of the masses, but for all that they are talked of much more frequently than might seem possible, in every market-place and gathering in the country. It is this fact which distresses me most in regard to the defect I have pointed out in the Budget. It is this fact which forces me and all who comprehend the real influence of English rule to deplore the exemption granted to cotton goods. There is a real public opinion in India, and the result on opinion of this most mistaken exemption will be at once regrettable and disastrous. The effect upon the power and influence of the Government may be slow in making itself felt, but will be beyond question mischievous and deplorable, because, to quote from a speech in this Council delivered by Lord Ripon on the 7th of January 1884—'that power and that influence rest upon the conviction of our good faith more than upon any other foundation, aye, more than upon the valour of our soldiers and the reputation of our armies'

"At a time when, in connection with this question of import duties on cotton goods, the Press in England has indulged in speculations as to the 'spell' which binds this noble dependency to the United Kingdom, I may be pardoned if I make another reference to the speech of that great statesman, Lord Ripon, from which I have just quoted. Replying to the question of the Honourable Mr. Thomas, 'Was there ever a nation which retained her supremacy by the righteousness of her laws?' his Excellency said:—

> "'My study of history has led me to the conclusion that it is not by the force of her arms or the might of her soldiery that a great empire is permanently maintained, but it is by the righteousness of her laws and by her respect for the principles of justice.'

"In these words is described more eloquently than anywhere else the secret of the spell of British rule in India. My Lord, I feel that I may be forgiven when I express the hope that the essential character of that spell may be maintained; when I give utterance to the wishes of my countrymen that the end of the crisis which has come so suddenly upon India may be to convince all men throughout the length and breadth of the land that Lord Ripon's words are still true, and still faithfully depict the policy and the hope, the object and the endeavour, of the Government of India."

The Honourable *Fazulbhai Vishram* said:—"Your Excellency, I do not propose to detain the Council long with the few remarks which I have to offer on the Financial Statement of the ensuing year. It is a sober exposition of solid facts and figures, which, however, I am afraid, will not remove from the minds of a critical observant public the impression that the Government has no definite policy for the solution of the difficulties in which the country has for some time been involved owing entirely to the depreciation of its currency. No doubt the frank confession of helplessness, which seems to be the keynote of the statement, disarms criticism. We realise and appreciate the ability with which the financial forecast for 1894–95 has been made. We recognise that the programme sketched is 'a programme of retrenchment and vigilance

vigilance intended to take the Government over a transition period.' And yet the country will be entitled to ask, how long is this hand-to-mouth policy to continue? I shall not venture to travel over the same ground as in the course of the debate on the Tariff Bill, but it seems to me that the apprehensions which we entertained regarding the course of events have been fully justified by the statement. The country at large asked the Government to include imported cotton goods in the Tariff Bill, with the object of assisting it in its difficulties in the easiest manner possible under the circumstances. It is a peculiar fact that, whilst additional taxation is always objectionable to the people, in this instance there was a consensus of opinion that Government might fairly and wisely raise sufficient revenue to meet at least half its deficit, by imposing a small duty, such as has been imposed upon other commodities, on cotton goods imported into the country. The voice of the people, who were and are willing to bear the burden, was overruled on grounds the speciousness and hollowness of which are now sufficiently exposed by the recent enunciations, journalistic and otherwise, in England. I endeavoured to show in my remarks on the Tariff Bill that the idea of protection involved in the imposition of a small duty on fine yarns and fine cotton goods imported from England is chimerical, and I adhere to that opinion. What is the result of adopting that course? My honourable friend the Finance Minister has been obliged to include in the Budget the Famine Insurance Fund for meeting the deficit; he is compelled also to starve the local administrations of various funds applicable for the better carrying on of the administration. Can anything be more disastrous than the absorption of the Famine Fund for the purpose of meeting a deficit? It might as well be thrown into the sea, so far as any good to the country is concerned. I may venture, my Lord, to say that the country is still in the hope that your Lordship's Government will be able to induce Her Majesty's Secretary of State to reconsider the position, and sanction the duty on imported cotton goods. As regards the demand for a countervailing excise duty upon cotton goods manufactured in India, had there been any parity between the goods upon which we suggest a duty should be imposed and the goods manufactured in India, and had even the levying of such an excise-duty been practicable, the suggestion would be unworthy of the greatest nation of the world towards its almost bankrupt dependency. In order, however, to do away with a wrong to the country which results in the appropriation of the famine grant and other items ordinarily applicable for the improvement of provincial administration, I, for one, speaking as a millowner, would be willing to support the levying of an excise-duty on cotton goods manufactured in India, assuming, of course, that such an impost can be practically levied without injustice and serious trouble. Whatever view may be entertained in this matter, I submit that no effort should be spared in obtaining the sanction for the reimposition of the cotton-duties, for, in my opinion, the revenue derived from this source will not be the only benefit to the country. It would, as I ventured to indicate before, help to a certain extent in creating that desirable balance of trade in our favour on which so many people build their hopes of seeing a solution of the financial difficulties of India. That this hope is not altogether unfounded must be apparent to every one who has closely observed the circumstances that transpired before and after the introduction of the Tariff Bill. It requires little knowledge of economics to see that, with our enormous gold liabilities to England, and a large import trade with gold-using countries, an export trade, the value of which must necessarily be appraised in silver, must assume vast dimensions in order to create a balance of trade in our favour, so as to compensate for the loss caused by the depreciation in the value of our currency, without some such extraneous assistance as has been suggested. In my humble judgment, no amount of retrenchment or vigilance exercised in the present or in the future can possibly cope with the gravity of our situation, unless and until an attempt is made to deal with it radically. Speaking with all respect, I beg to say that the currency legislation of last year has hardly received a fair trial. The enormous introduction of silver, which mainly contributed to annihilate the anticipations of Government regarding an immediate, stable exchange, took place under circumstances which leave little room for doubt that the silver imports were made by speculators, Native and European, not to meet a *bonâ fide* demand amongst the masses of the country, as is commonly supposed, but merely for purposes of speculation. And this brings me to the suggestion

which has been made to Government from another quarter, namely, of making silver a Government monopoly. So far as I can see, there seems to be no objection, economic or otherwise, to adopting that course.

"As regards immediate remedial measures, I understand that on the Revenue side the mint receipts, amounting to about fourteen lakhs of rupees, are considered to be lost. Is there any objection to the Government working the mints on their own account? Considering the low value of silver and the great margin between the respective prices of bullion and the rupee, would not Government by manufacturing rupees for itself make sufficient profit to meet at least a substantial portion of the present deficit? It seems to me to be a legitimate source of revenue and one capable of materially easing our finances. I would venture to ask the honourable Mr. Westland for an elucidation of this point. I understand that Government do not allow the free coinage of the copper currency, but they manufacture the coin on their own account, which leaves them a substantial profit. I have seen it stated that the metal in a rupee worth 64 pice is valued at about six annas only! In the same manner it is said that the margin of profit between the respective values of bullion and the rupee is about 25 per cent. exclusive of all charges and the duty. In the year 1892–93 about ten crores of rupees were coined in the Bombay mint alone, and, if Government were to do the same now, the operation should bring them an enormous profit.

"I further see that the Treasury balances are given at 26 crores, and at over 21 crores at the end of the ensuing official year. Of course, nobody expects the Government to manipulate this large sum as a private individual, but again I see no reason why this great balance should not be invested either in its own paper at 4 per cent., which would relieve the finances to the extent of 84 lakhs per annum, or why even half of it should not be invested in English or other stock so as to yield a substantial income in sterling to meet sterling liabilities. Such a course would appear to be all the more desirable when the Secretary of State will be issuing a sterling loan of about 8 millions to replenish his treasury, and heavy demands for interest thereon must be met. In fact, there must already have been a large charge under the head of interest on the temporary borrowings in London this year, and it cannot be less than a quarter of a million sterling in the ensuing one, which can be easily covered by a judicious investment of funds on this side. Another opening for the large balances would be the construction, or rather continuing the construction, therefrom of what are called the 'trade railways' already sanctioned. They are proved to be productive constructive works, and besides help to keep the balance of exports in favour of India, which is besides the only chance of success for our currency scheme. Last year I had the honour to suggest that the new loan for 300 lakhs might be issued at 3½ per cent. instead of 4, and it happened to be so issued. It was placed on the market at a discount, but its present rate is over par, and the annual saving to Government is 1½ lakhs in point of interest. They can secure a further saving by converting a portion of their 4 per cent. loan to 3½ per cent. by giving the usual notice.

"I will not dwell upon the home charges and the military expenditure, especially after what has already been said about them by the other speakers; they are more or less beyond the control of this Government; but I must, before concluding, say that I entirely sympathise with those that object to a constant increase under these heads, and urge a reduction thereof in the present crippled state of our finances."

The Honourable Sir *Griffith Evans* said:—"I do not think that, since I first sat in this Council in December, 1877, I have listened to a Budget which gives rise to graver reflections than the present one, although there are points about it which bring some hope for the future. The look-out is uncertain and unsatisfactory.

"The leading features of the situation are that, although the number of rupees composing the revenues of India are increasing steadily, yet their exchange value in respect of gold has been falling, out of all proportion to the increase in their number, and that there are symptoms that their purchasing power in this country is falling also.

"Next, we find that the expenditure is steadily increasing, and I fear to a great extent necessarily so. We cannot hope that, although there may be

savings

savings made here and there by a vigilant finance member and members of the various departments, there will not be an increase constantly going on which will out-balance these savings. Take, first of all, the general administration of the country. I do not think that it can be hoped that in a country which is so constantly improving as this is, and in regard to which we are constantly aiming at a higher standard, one can expect to have a diminution in what we might call charges for general administration which would include police, law, justice, and many other similar matters.

"Next, take charges connected with development of the country. In this country, where the population is increasing by leaps and bounds, at the rate of about three millions a year, under the security of life and property given by the rule of England, it is evident that it becomes absolutely necessary to do what can be done in order to meet this constantly and largely increasing population. One of the things that is specially to be done is to attend to irrigation, and thus increase the fertile area, increase production, and diminish the chances of failure of crops.

"Next in the matter of development come railways and roads, to cheapen transport, to encourage exports, and to enable the country to bring out her produce into the markets of the world, and generally to stimulate trade. Unless this is done, it is quite plain that the population must become in excess of the powers of the soil, and must starve and dwindle, unless they emigrate. For food determines population. Therefore these charges are absolutely necessary, and we cannot expect them to decrease, whatever economies he may make in detail.

"Then comes the other great matter in the case of an Empire like this, and that is its defence. If one looks at the extent of this enormous Empire and sees how much of its frontier is bordered by tribes and nations quite as fierce and martial as any of those barbarians who beset the Roman Empire in its latter days, when one looks at that and sees in addition the close approach of two first-class European Empires, when one reflects upon what human nature is and that one never knew an Empire, when it saw a chance of overthrowing another, not to take advantage of that chance, when one looks at the lessons of history, one feels bound to recognise the necessity for maintaining a large efficient army—the more so that this immense Empire is full of titanic forces of disruption barely kept in a state of unstable equilibrium by a foreign element. Looking at this Budget, one sees that, so long as the army is kept at its present strength, and unless some reduction is possible, regarding which I shall have something to say hereafter, it seems pretty plain that one cannot expect very much of a decrease in the expenditure. The same thing may be said here as I have said in regard to the civil administration. A vigilant financial member, co-operating with the military member, may knock off a lakh here and a lakh there, but with the increased expenses of the munitions of war and arms of precision, with the increase of prices and the rise of wages, one does not see that there is likely to be any great diminution of the expenses. On the contrary, one sees that it is very much more likely that some day or another the question may arise even as regards the increase of the pay of the native soldier, and to the necessity for more British officers for each native regiment. Eight is a small number to begin a campaign with.

"From the very nature of our Empire we have to make large gold payments to England, because England is a gold-using country, and we get our European army from England—which army is absolutely necessary for the maintenance of our possession of this country; so much so that if it were taken away the Empire would disappear to-morrow; it follows that there must be a very heavy gold charge with regard to pensions and pay, and also with regard to the necessary materials of war and railways, and so on, which must be got from gold-using countries, because they cannot be obtained in India. Under these circumstances there is this crushing fall in exchange which upsets all the financial schemes devised, and makes it difficult for us to bear the burden of increased expenses of administration and defence which otherwise we might easily afford. It is in respect of the 16 or 17 millions a year that we have to pay in gold that the pressure is so crushing. The result has been, as shown in the Budget Statement, fresh taxation to meet a deficit of nearly Rx. 3,000,000, reduced, by desperate attempts at retrenchment, to an estimated

deficit, at the end, of Rx. 301,000. We have a deficit of Rx. 1,792,000 in the past year (1893–94) and Rx. 833,000 for 1892–93, and now Rx. 2,923,000 in the present year.

"Under these circumstances it is quite evident that fresh taxation of some sort must be resorted to, for, notwithstanding that it is said to be a period of transition, yet the financial member said in his statement that it is a position, whether transient or not, which compels us to look for money and provide for it by some permanent source of revenue.

"Now, before I pass on to consider what that ought to be, I wish to say a word in regard to exchange compensation. This is really raising the rupee salaries to partially meet the fall in exchange. This has been very bitterly attacked outside, but the observations made about it in the Council here so far have been comparatively mild. That is to say, it has been protested against in a certain way, with a feeling that something ought to be done, if possible—if we could afford it. I will not go into the details of that measure, but I would put it simply on the broad ground that it is absolutely necessary if there is to be an English Empire maintained here. We must have a British army, and that army must be paid, and that involves adequate payments for their pay and pensions. The next thing is that you must have a certain number of Englishmen here to administer the Empire. I am not speaking of how many there ought to be or how few there ought to be, but it is quite necessary that they should be here, and if you want to have men of the right sort it is also certain that you must give them adequate pay, and that, when they have laboured here for a number of years, they should feel that they have something to fall back upon in their own country, and the charges connected with all these services are absolutely necessary for the maintenance of the Empire. It is also necessary to have a certain number of Europeans in other branches of the administration—the railways, and so on; and if you have these men out they too must be adequately paid.

"Now, what has happened? I take the Civil Service. I will not go into too much detail as regards all the rest, but I take the Civil Service as an example. Years ago the Civil Service was placed upon a certain basis of payment in the rupee. Why was this done? Was it on account of some great liberality or of some desire to place these men in a position of unnecessary opulence? Not at all. It was because they came out here to administer a great Empire under many hardships and difficulties. They had to educate their children, they had to send their wives home when ill, they had to go home themselves when ill to recruit, and it was quite evident that you could not expect the kind of service that you wanted unless they were reasonably paid. The reform on the old system of writers on small salaries with free quarters was intended to place the service in a position in which the State could expect devotion and sacrifice from them, considering that they were, on the other hand, well remunerated if they happened to live through their term. Now, what happened? The exchange fell, and fell until 40 per cent. went off the income of these people, and the evidence that was available, before the orders were issued with regard to exchange compensation, showed most clearly the distress and the utter change in the position of these men that had taken place. It showed that a feeling of discontent was growing up, and it indicated a state of things which really meant the demoralisation of the service. We all know what the record of the Civil Service has been, how the Empire has been governed, and what a wonderful spectacle it is that it should have been governed in the way it has been. One knows that, when the history of the Civil Service comes to be written, it will command the admiration of posterity. Faults they have had in plenty, but the service has as a body shown earnestness and capacity and devotion to their work to a rare degree, and they have been allowed by their worst enemies to be free from suspicion of corruption. There were certain fundamental matters that had to be considered. As far back as the times of the old Egyptians and the period of the Pharaohs, it was laid down as an axiom that a judge must be well paid and put out of the reach of all temptation of being bribed by the litigants. The same is true of the rulers of provinces. To get Englishmen to govern districts in the East (which elsewhere would be provinces or kingdoms), with incomes so reduced that they could not provide for their families in England and live in such reasonable comfort and freedom from petty money worries as is essential for their position and health, is

is mere folly. But we stood in this position, that the service was becoming impatient and discontented, and it became plain that it was time to act and absolutely necessary that something should be done. I speak in this way on this subject, and you may ask what have I got to do with it? I have nothing to do with it. Since I came to the country I have not drawn one single rupee of Government pay, nor have I any relations in the Civil Service. I have no reason for expressing anything but my own personal opinion, and I am very free to do so. I have seen this change going on for twenty-five years now, and I say that the attempt to alleviate the pressure was made not one day too soon. It is said, but why make it in a time of such financial difficulty? It is because the very reasons that brought about the financial pressure on the Government also caused this dire financial pressure on the service. When we came to look into the matter there were two things to consider, they were the European army and the European service, and they had to be paid for. That is the fact of the matter, and if the payment is heavy it is a necessary payment, and it is well worth making it. If you were to put it to the people of this country now—if you put it 'Would you like to have the European army withdrawn and be free of the expense?' there is not one single sane native with anything to lose who would not lift up his hands in absolute horror at such a suggestion; they would be as horrified as the people of ancient Gaul (the modern France) were when the Roman army was withdrawn, and the German barbarians flocked to the loot of that flourishing Province—their cry would be bitter and hopeless. Under these circumstances, while one would not wish to do anything in the way of expense that could be avoided, we should be failing altogether in our duty if we did not incur the necessary expense for the maintenance of these two services in a state of efficiency. I have spoken thus as regards the exchange compensation, in order to explain why, as far as I am personally concerned, I agree in the necessity for that expenditure.

"I will not go over again the ground covered by the debate on the Tariff Bill.

"I will take it as clear that the general import duties exempting cotton are inequitable and capricious in action as well as inadequate in result, and that, whether the sum required is one or two millions, it should be raised by equitable and not by inequitable taxation.

"What I propose to do now is to examine the Budget, so as to see how India stands and what is her financial position. What I wish to dwell upon is this: the Secretary of State is reported to have announced that in his view there was no sufficient financial pressure on India as yet to justify him in reconsidering the subject of the cotton duties. That was before the last debate in Council, but I think, when the Secretary of State sees this Budget and marks what is done in India, he ought to be satisfied that the 'pressure' is sufficient.

"Every one has observed that the estimated deficit on the 2nd March was about 3½ millions, whereas the deficit appearing on the Budget of the 27th March is Rx. 2,923,100. The difference is principally due to the reduction of Rx. 370,700 for roads and buildings, as stated in paragraph 24 of the Statement. There are other stringent retrenchments of smaller amounts.

"But, turning to paragraph 19, we find that the Rx. 370,700 is made up of Rx. 194,200 cut from Military works and Rx. 176,500 from Imperial works on the civil side—all forced upon the Government by financial pressure. The total is Rx. 370,700 cut out of Public works, not because they are not necessary, but simply because the money is not forthcoming.

"Add this to the present deficit, Rx. 2,923,100, and we get roughly Rx. 3,300,000 as the amount at which the deficit would have stood, had not these ruthless cuttings been made. It is not suggested that these works are not necessary or that this expenditure can be permanently avoided—paragraph 19 is clear as to that, and the same thing is shown by paragraphs 127, 128, and 129. These are the measures adopted to bring the deficit down to Rx. 2,923,100. I ask your attention to the meaning of this. It means a total arrest of development.

"As to Rx. 194,200, what does this mean? The barracks required in Upper Burma will not be built, the sanitary measures required for the army in India will not be carried out, and, worst of all, the proposed improved arrangements for water supply for the troops all over India must stand over—this means preventible sickness and preventible deaths among our troops. The dreadful scourge of enteric fever is to run its course unchecked.

"All this to enable cotton goods to be exempted from the tax!!

"Yet all this is not 'sufficient pressure' to induce the Secretary of State to reconsider the matter!"

"As to the cutting out of Rx. 176,500, it seems *inter alia* the stoppage of new post-offices, telegraph offices, and other useful works.

"But it does not stop here. When the general import duties minus the cotton duties have been put on, yielding Rx. 1,140,000, there is still left a deficit of Rx. 1,783,100. To meet this the Famine surplus, Rx. 1,076,200, is diverted from its special purpose and used as ordinary revenue.

"I am not one of those who have any superstitions about the Famine surplus, as if it were 'taboo,' protected by oaths and the wrath of the gods from sacrilege. But it represents a definite line of policy, which is shortly this. As famines are recurrent in India, sound finance requires that we should make provision for them as certainly as an owner of house property has to set aside a margin from his rents for repairs.

"This policy was announced by Lord Northbrook in 1874, and put into operation by Sir John Strachey under Lord Lytton in 1877. The rule finally laid down was that this special surplus should be budgeted for, and spent either in protective works, so as to avoid borrowing, or reduction of debt. More than once this special surplus has been suspended from necessity, but always re-established as soon as possible, and it is to be remembered that it was originally raised by special taxation for the purpose.

"The diversion of this special surplus to ordinary revenue is only permissible during severe temporary pressure. It must be restored before our finances are in a sound state.

"This goes into the yawning chasm of the deficit, and the Secretary of State still says 'insufficient pressure.' There still remains Rx. 706,900 of deficit; what next will the Financial Member throw in? Rx. 405,000 taken as it were by force from the Local Governments—a widow's mite, but all that they had. The piteous story is told in paragraphs 27 and 28, the details are in paragraph 97—the administration crippled, and the heart taken out of the Local Governments.

"Is this not pressure enough?' In paragraph 128 we are told these sums are obtained from the Local Governments mainly by cutting down civil works which were badly needed. How severe the retrenchment has been may be imagined from the case of Burma. 'It is said one of the items there is a lakh of rupees or thereabouts for a lightship. Danger to shipping, yet insufficient pressure! It seems a pity that the Secretary of State cannot be sent for a cruise off that coast on a dark night.

"See what has been done. Rx. 370,700 cut out of the Imperial Budget for civil and military public works and Rx. 405,000 from provincial works; total from necessary public works Rx. 775,000, at the expense of the development of the country and the health of the army. Substitute the cotton duties for these retrenchments, and even then you would have had to take the Famine surplus to make up the Rx. 3,300,000, and the Budget would have roughly stood thus—deficit Rx. 3,300,000, as against Rx. 3,316,000 (from cotton duties taking them at the low figure of Rx. 1,100,000, the present duties, and the famine surplus, *i.e.*, Rx. 1,100,000 + 1,140,000 + 1,076,200)=surplus Rx. 16,000. Even this would be a temporary arrangement, as the Famine surplus must be restored as soon as possible. Railways and irrigation would have lost for a time the Rx. 1,076,000 of the Famine surplus. It is said this is a temporary situation or may turn out to be so, but the Financial Member has told us that it is a situation which imperatively calls for a new source of revenue of a permanent character, and that general import duties have been deliberately chosen for that purpose.

"If so, justice and expediency alike demand that, with or without a countervailing excise, cotton goods should be included. The Financial Member evidently thinks it should be without excise duty, and so do most people in India, but the enemy is strong, and it may be well to make terms with him while he is yet on the way.

"My Lord, on reading the account of the Lancashire deputation, one feels that the position of the Secretary of State was not a pleasant one. After a few stock phrases about disinterested concern for the poor Indian, they showed their teeth, and gave him to understand very plainly that they would do their best to turn out any Ministry that opposed what they considered the interest of the trade and pointed out that Lancashire was strong enough to win any fight she went

went into in earnest. His answer in effect was 'that he had decided to yield for the present.'

"The Secretary of State was between the devil and the deep sea. The tempter was close at hand, while the deep sea of Indian discontent was moaning sullenly in the distance. He told the deputation the sound was always in his ears. It is much louder now.

"It is a great deal louder now, and I can only hope that this matter will be settled without delay, for, as your Lordship will perceive from what has been said to-day and what may be heard outside, it is clear there is no change in the attitude of the public with regard to this matter, and it is exceedingly desirable, for reasons which have been laid before the Council on the last occasion, that no time should be lost in settling it.

"I pass on then from this to consider whether any, and, if so, what savings are possible in the Indian expenditure. The Council will see from what has been said that I do not anticipate any very great savings. I do not see that the main expenses are at all likely to decrease, and, therefore, the matter stands in this way, that the only place in which reductions would appear to be in any way possible is the army. Now, with regard to that, I would only say that, looking at the Budget and with such figures as I have had access to, I do not think that you can reduce expenditure very much, so long as the army is at its present strength. Savings may, perhaps, be effected by the strenuous efforts of the Financial Member in connection with the Military Department. But no one but an expert can deal with that mass of details. There are, however, one or two items to which I should like to call the attention of the Council. One is the Commissariat. Commissariat charges are always increasing; there are twelve lakhs more charged for the Commissariat this year, and former years show a strong tendency to increase. I have tried to discover how this has come about, but it is too mysterious a subject for an outsider like myself. As far as I can gather, there are one or two elements in it which involve some amount of uncertainty. There is a system of compensation for food in the native army by which there is an allowance made to the men when the bazaar rate for certain provisions or grains goes above a certain point, and this, so far as I can make out, appears to be based upon certain price-currents certified to by the commanding officer. How this price-current is made is not very clear to me; for the commanding officer may not always be a very great authority on the subject of prices, and also, if he is a good commanding officer and considerate to his men, which is only very natural, he may not be much inclined to be as hard upon them as the account department or some of those other departments which are said to be devoid of any human feeling whatever. I have very often found them disputing about a pice, and I have known a long official correspondence to have taken place in which the amount involved did not exceed two annas. What I wish to say is that commanding officers generally are not men of a close-fisted disposition, and it is possible they may not revise these price-currents very accurately. I admit that the Commissariat estimates must increase to some extent, because prices have risen, but the question is, whether the increase is not going up too fast. That, however, is comparatively a small matter.

"And now I should like to make a few remarks on a graver and more important subject.

"My Lord, I am perfectly sensible that the question of the reduction of the army is not a question to be taken in hand as a temporary measure to meet a deficit. More than that, I also understand, very well understand, that, if you made any reduction, it would not operate as a reduction in that particular year, and that it would not come into effect for some considerable time. I am also further aware that this matter of reduction is an Imperial one, and that it is a matter of high State policy. It is one of the 'arcana of Empire' and is not a matter to be debated on the housetops, and therefore I do not propose to offer any views of my own on the matter at all. I would only say this, that, so far as I can see, unless the native troops can be diminished in number, there will not be any great reduction in the cost of the army. Whether that can be done or not I do not propose to discuss, but I think I am within my right in saying that, so far as I can see from this Budget, unless this is possible there will be no great reduction in expense. It will be of little profit to howl at the Military Member and urge him to look at and reduce all this enormous expenditure.

But I have no doubt that the Financial Member will stir him up to as much reduction as it is possible to effect. One thing is clear, that, whatever reduction may be made, there is no reduction possible in the British Army in India. That, my Lord, even at present is standing below the proportion which was considered by the Commission which sat after the Mutiny to be the safe one, and therefore no question can arise on this point. The question of reducing the native troops is one upon which I do not offer an opinion. Nor will I say anything more as to the reduction of numbers, than that it is the only way in which any large saving can be effected.

"Then there are two or three small points which I should like to refer to. I observe that Rx. 50,000 or five lakhs have been set apart for the Afghan delimitation. This is a very moderate estimate. I only hope it may prove approximately correct. But I think the Financial Member will be a very fortunate man if he effects the delimitation of the Afghan frontier for this sum. I should not like to take the contract.

"The next thing I observe with great satisfaction is the smaller provision for charges for special expeditions: this saving amounts to Rx. 132,000; this is very encouraging, and a thing to be grateful for. The only thing is that the Financial Member may have his hand forced by circumstances, in spite of his good intentions.

"On the whole it is a Budget in which the main blot is the non-inclusion of cotton goods in the new taxation; but it is one contingent upon so many things, the absence of small wars, the absence of famine, and, above all, the maintenance of the rupee at 1*s.* 2*d.*, while its intrinsic value is 10$\frac{1}{4}$*d.*, that the Financial Member can do little more than watch the expenditure and pray for a rise in the rupee.

"There is one other subject of meditation which I would take the liberty of suggesting to my honourable friend during his sojourn in Simla, and that is succession or death-duties.

"These duties are very unobjectionable in principle, and are paid at a time when the person taxed has just received an accession of property through no exertion of his own. There are, no doubt, practical difficulties, but I expect they could be got over, and the tax would be a very productive one. The present position as to succession duties is very anomalous. The estates of Europeans, Eurasians, Jews, native Christians, and others not being Hindus, Sikhs, Jains, Buddhists, or Parsis, are, by the combined effect of the Succession Act and Court Fees Act, subject to a succession or death duty of 2 per cent., including the land. The Hindu who makes a will in Bengal is in the same position. The rest of the inhabitants only pay 2 per cent. under the Succession Certificate Act, 1889, on debts they are obliged to collect through the Court or which the debtors refuse to pay. The Jews are few, and, roughly speaking, it may be said that there is a tax on Christianity in this country, while what the missionaries term the 'heathen' go free. It is time some of the great societies who devote themselves to the religious welfare of this country should raise the cry of free trade in religion. I am aware that this state of things has grown from natural causes, so to speak, with no intention on the part of Government to favour any religion or nationality. The history of it will be found in the debates of 1889. But this is the present result.

"I now pass on to my last topic, the Home Charges.

"Most of the Home charges, interest on debt, railway guarantees, and pensions, are irreducible. Of the 4,000,000*l.* of military expenditure, most of it is in the same position. The charge for stores is being looked to and reduced by getting what can be got in India. But there are old grievances as to past over-payments as regards the Army, and there is a chronic irritation as to the charges coming under the head of 'Army effective,' amounting to about 800,000*l.*

"This matter was the subject of very serious debates in the House of Lords on May 15, 1893, and July 3 of that year. They are reported in the 12th and 14th volumes of Hansard for that year. They are very painful reading. They show that the India Office has for over 30 years been systematically overborne by the War Office and the Treasury, that there are old grievances to be redressed, as well as the future effective charges to be settled on a more equitable basis.

"We find Lord Northbrook, Lord Cross, and the Duke of Argyll (an ex-Viceroy and ex-Secretaries of State for India), going on through the long tale

tale of remonstrances disregarded and charges imposed against their will, the Persian and Chinese contribution, the use of Indian troops for Imperial purposes without payment, and the impossibility of getting a fair adjustment of the charges made in respect of the prior training of British soldiers sent to India.

"Lord Northbrook even went to the length of suggesting that the Secretary of State and his Council should refuse to pay certain of the charges, as being contrary to the Act which compels him to appropriate the revenues of India to 'the purposes of India alone.'

"I will not repeat what the noble Lords have so ably expressed. It has made a deep impression in this country. People had long known that there was something wrong, but it was impossible to get the details. In the debate of March 1890, in this Council (Proceedings, page 155), Sir David Barbour promised to look through the correspondence, and said that, "if he found that there was any correspondence or other papers, which might with advantage be made public, he would propose, with His Excellency's permission, that they be published in the 'Gazette of India.'" No such papers have been produced or published. I would suggest to my honourable friend that he should cause the material part of the correspondence to be published, or explain why this is not done.

"I fear that the debate in the House of Lords gives the key to it. Lord Kimberley then agreed with the other noble Lords, and he sought their aid in this unequal fight against possible further demands. But for the rest he said that the able men who advised him in the India Office were against taking steps to refer the matter to any Commission, lest it should result in further demands and charges. He has not moved, so far as can be seen, since that time.

"Some of the papers mentioned in that debate, letters of 1872 and 1874, have been published, and show the strong but unavailing fight then made by the Duke of Argyll and Lord Northbrook.

"But the two later papers mentioned by Lord Northbrook, which bring the discussion up to date, have not been published. They are the 'long and able Despatch' from the Government of India of the 25th March 1890, enclosing a note by the Military Secretary, and the Secretary of State's Despatch to the Government of India of the 18th August 1892.

"As to the India Despatch of 1890, stating the principles according to which the Government of India consider these charges ought to be settled, Lord Northbrook said: 'His honourable friend (Lord Kimberley) the other day expressed a doubt whether the Despatch could with advantage be laid before the House, and, on that ground, he would abstain from moving for it. But if at the end of the present session nothing had been done in the matter, it was only fair that that Despatch and other Despatches sent by his noble and gallant friend to the Government of India should be produced, in order that public opinion might be brought somehow or other to support and strengthen the Secretary of State in the difficult position he was now placed in."

"The Secretary of State is apparently still afraid to move, but the matter cannot be left here. People in India must be given the means of making up their minds whether they will sit down under what all those noble Lords, and apparently the Government of India, consider to be unfair charges, or take the verdict of Parliament.

"The charges in question are mainly comprised under the head, 'Army Effective Charges,' which amount to between 800,000*l.* and a million. There are also shown the political charges for Persia, China, &c., which ought to be reduced if not done away, and, if fixed, should be fixed in silver and not in gold, being Eastern charges. Some of the non-effective charges are also challenged. The rest of the Home Military expenditure or most of it is, as I have said, irreducible, except so far as we can buy our stores in India.

"Now, the Secretary of State and his able advisers may be right in thinking they will get no redress, but only fresh claims. But, so long as those noble Lords who spoke in the debate and the Government of India are of opinion that the charges are not fair, public opinion here, so far as I can gather, is unanimous that the matter must be decided, and that it is better that it should be fought out, rather than it should be said that it is hopeless to urge any claim of India which touches British pockets. Had the Secretary of State known the invincible tendency of the natives of India to carry every matter up to the ultimate court of appeal, he would not have resolved on this course. He would

have bethought him of the Madras litigant who petitioned in vain up to the Secretary of State, and had many petitions returned as not having come through the proper channel, and who wound up with a last despairing petition to 'Almighty God, care of the Governor of Madras.' With all our faults as a nation, I hold to the belief that there is a strong spirit of justice and fair play underlying the British character which will answer to a clear and ringing appeal. I do not doubt the desire of the House of Commons, the ultimate arbiter, to do justice; the fear is that the case is too complicated, and the issues may get confused. The risk must be faced and the controversy decided one way or another. It is a political necessity it should be. I hope the result will not show us, like the worshippers of Baal, crying to deaf ears, while the Secretary of State and his able advisers in the India Office mock us, saying, 'Cry louder; peradventure he is asleep or on a journey.'

"The feeling of injustice has been intensified by the exemption of the cotton goods. People say, 'You demand gold from us which competent authorities say you are not entitled to in equity or law, and you refuse to allow us to impose equitable taxation to pay it.'

"For the rest, I am glad to see there is a diminution in the Secretary of State's Budget for the year in respect of salaries—some redundant officials have disappeared—*inter alia* a 'senior supernumerary clerk' and an 'assistant private secretary.' There is a saving made of a little over 4,000*l.* in India Office salaries. The pensions appear, however, to be very heavy and on a very liberal scale, though I have not sufficient information as to the principle on which they are granted to comment upon them, except that Indian officials, who already have Indian pensions, seem to get fresh pensions from the India Office, and that India contributes to the pension of the Chairman of the Board of Inland Revenue because of his former services as Deputy Director of Military Accounts at the India Office.

"As to those ancient pachyderms, the War Office and Treasury, they guard each their own interests and look at nothing else. The more charges they can throw on India to their own relief, the better they are pleased. As to getting a refund from them, it is like trying to get a pat of butter out of a dog's mouth."

The Honourable Dr. *Rashbehary Ghose* said:—"My Lord, the spectacle of a Finance Minister struggling against adversity cannot fail to call forth our respectful sympathy, and Mr. Westland has shown that, although he is obliged to pursue the wrong, he both sees the right and condemns the wrong he is doomed to pursue. My labours have, I am glad to say, been considerably simplified by the previous speakers, who have spoken with an authority and experience which I cannot pretend to possess. I will, therefore, confine my observations only to one or two features of the Budget we are met to discuss. I am sorry to say, my Lord, that the Financial Statement which has been placed before us confirms the worst misgivings felt by the public when cotton goods were excluded from the Tariff Act. The bulk of the Famine Insurance Fund has been appropriated to the purposes of general administration, while the Provincial Governments have been also called upon for contributions out of their not over-abundant means. In the words of the Honourable Finance Member, this last measure 'practically means the stoppage for the time of all administrative improvement, a measure which they feel must take all the heart out of Provincial Governments, by making them surrender all the fruits of careful administration to fill the yawning gulf of our sterling payments.' The suspension of the Famine Grant or the Famine Insurance Fund, as it is generally and properly called, is a still more serious matter, the gravity of which cannot be over-estimated. In introducing the Tariff Bill, the Honourable Mr. Westland said—

> 'The next head—that of Famine—includes, besides what is usually a small amount of actual famine expenditure, the grant which we make out of our surplus revenues, when we have any, towards protective irrigation and protective railways. We have at present a compulsory expenditure under the last category of about Rx. 380,000 towards the loss accruing to Government on account of the Bengal-Nagpur and Indian Midland Railways. This amount is now shown in the railway account, but the balance of Rx. 1,500,000, after this loss is met, is used, when we are able to afford it, for actual construction of railways and canals.'

"Now

"Now this language can hardly, I venture to think, be reconciled with the declarations of Government when the fund was first created out of the proceeds of certain taxes which were imposed for the first time in 1878 by the Government of Lord Lytton. The previous speakers have already referred to the pledge repeatedly given by his Lordship, and I need not further dwell upon it.

"On the 27th December 1877 Sir John Strachey, in laying the Financial Statement of the coming year before the Council, thus explained the objects of the fund:—

> 'Unless, then, it should be proved hereafter by experience that the annual appropriation of a smaller sum from our revenues will give to the country the protection which it requires, we consider that the estimates of every year ought to make provision for religiously applying the sum I have mentioned to this sole purpose, and I hope that no desire to carry out any administrative improvement, however urgent, or any fiscal reform, however wise, will tempt the Government to neglect this sacred trust.'
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> 'I feel confident that I shall be able to satisfy the Council and the public that the resolution which the Government has proclaimed will be faithfully carried out, and the proceeds of these new taxes will be expended for the purpose of providing what I have called an insurance against famine, and for no other purpose whatever.'
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> 'The object which I thus stated is a perfectly simple one. These new taxes are required for the sole purpose of giving us year by year a sufficient surplus of income over expenditure to meet these famine charges, which had not hitherto been taken into consideration in our yearly accounts.'

"It is true that some Finance Ministers have since declared that in their opinion the Famine Insurance Fund could be resumed in case of imperative necessity, but these declarations are opposed to the solemn pledge given by Lord Lytton as the representative of the Queen-Empress in India. But suppose, in a very exceptional case, to avoid exasperating sacrifices or the imposition of extravagant burdens, to use the language of Sir Auckland Colvin, the Famine Insurance Fund may be trenched upon, has any such case been made out in the present instance? I submit not, and I fear, my Lord, the public would continue to believe that the fund which was created for the purpose of developing the resources of the country and of saving the lives of millions from famine, has been sacrificed for the purpose of serving the interests of a few English manufacturers. And this brings me to another question—the exchange compensation allowance—a subject on which I will only say that opinion is very much divided. Now, the question will be asked, even by moderate men, at this moment whether it is either fair or just that the taxes raised for the purpose of protecting the people from famine should be applied to increasing the salaries of the European servants of the Government. I find that the Honourable Mr. Westland in his speech in introducing the Tariff Act said:—

> 'There is another serious burden, arising from this same fall in the value of the rupee, which we have to bear, namely, the compensation which we have to pay to our European services for the fall in the exchange value of their salaries. The necessity for this had been pressing itself upon the Government for some time, and it was only with some hesitation that the Government decided, when the Budget Estimates last year were under consideration, that the decision on the question must be put off until the settlement of the currency measures then under consideration of the Herschell Committee. When these measures were settled, the announcement was made that an allowance would be made to the class of Government officers to which I have referred, of which the amount would be equivalent to the remittance of half their salaries (up to a maximum of 1,000*l.*), at an exchange of 1*s.* 6*d.*
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> 'In justification of the necessity and policy of this measure of limited compensation, I wish to quote two or three weighty opinions, carefully

guarding myself against any mere official utterance, which might under the circumstances be considered to be affected by personal considerations. The first is an extract from the address of the spokesman of the deputation to Lord Lansdowne of 3rd February 1893, which declared itself as representing merchants, traders, shipowners, bankers, landowners, producers, manufacturers, importers, and exporters, and which certainly did not contain a single European official member:—

'"My Lord, we freely confess to a strong feeling of sympathy with the servants of Government who find their incomes daily dwindling, and who in consequence are in some cases put to severe straits, such as are calculated to do serious injury to the efficiency of the administration. We realise, in fact, that it will be absolutely impossible for Government to carry on the administration on the present terms. We are strongly convinced, however, that the adjustment of salaries and all other adjustments can only be properly effected by the reform of a currency system, which has gradually, but with increasing rapidity, brought the country to the present pass."

'The Herschell Committee, whose standpoint was a purely impartial one, reported on the same subject as follows:—

'"17. The difficulties which the Indian Government have in meeting the Home charges are aggravated by the fact that the fall in exchange has led to claims on the part of their officers, civil and military, who receive salaries in rupees, to some compensation for the loss which they sustain owing to the fall in exchange. Many of those officials are under the necessity of remitting a considerable portion of their income to this country for the support of their families and the education of their children. It has been said that prices have fallen in this country during the last fifteen years, and that a smaller sterling remittance will now purchase more than formerly. This is no doubt to some extent true, but it does not apply to all prices. It is a matter of dispute how far the fall of prices in this country compensates for the smaller sterling remittance which the same number of rupees will procure; but it is certain that, when due allowance has been made for this, the purchasing power of the incomes of Indian officials has been largely reduced.

Servants of Government.

'"18. It appears that some European employers have felt themselves bound to make an allowance to the Europeans in their service in India sufficient to counterbalance to some extent the loss which they experience owing to the fall of the rupee; and there can be little doubt that even in existing circumstances, and still more if the fall of exchange continues, the Government of India cannot turn a deaf ear to the appeals of their servants for similar treatment without the danger of engendering serious discontent, apart from the question whether such appeals are just and reasonable."'

Practice of private employers.

"We have here, if I may say so without offence, presented to us only one side of the question. With regard to the address of the spokesman of the deputation to Lord Lansdowne, we cannot shut our eyes to the fact that they represented what is known as the Currency Association, and that all that they meant to convey was that the reform in the currency system which they were advocating would put an end to the demand for exchange compensation by the European servants of the Government. With regard to the recommendation of the Herschell Committee, it is to be observed that, while conceding that prices have fallen in England during the last fifteen years to some extent, it is asserted that some European employers have felt themselves bound to make an allowance to their European servants as compensation for the fall in the value of the rupee, an example, it is suggested, the Government of India might well follow. I am, however, bound to say that, although I have made inquiries in the matter, I have not heard of any such allowance being made by private employers of Europeans in this country. As I have already said, there is another side to the question which derives peculiar importance at this time from our present financial condition. That view has been presented to Government by the Press, by public speakers, as well as the different political associations in the country. I will here, with the permission of the Council, read a passage from a memorial submitted,

submitted to Government by the Puna Sarvajanik Association. After pointing out that the supply of educated men in England has increased considerably since the salaries of European servants in this country were settled on their present basis, the association goes on to say :—

'The Committee would further submit that the present scale of the salaries of the European officials in this country was fixed at a time when it took six months to go from here to England, and when those that came out to India had practically to live the life of exiles, when periodical trips to England could not be thought of, and when, owing to the absence of railways and other conveniences, the Europeans serving in this country had to live for the most part in complete isolation from one another. All these unfavourable conditions of life have, however, now changed for the better. In these days of cheap communication, when railways and steamers have annihilated distance, residence in India cannot be so irksome or costly to the European as it must have been in the old times. Under these circumstances, privileged rates of remittances constituted nearly the whole of the indulgence which European officers of Government who had to make such remittances could claim equitably. The present scale of Indian salaries, in the higher grades especially, as compared with the English and Colonial scales, is again so excessively high that, even with silver low as it is, these salaries cannot fail to be a great attraction to English youths. As a matter of fact, competition for Indian posts has not been found to be less keen than ever it was before.

'The Committee of the Sabha would, therefore, respectfully pray that, for the reasons stated above, his Excellency the Viceroy in Council will be pleased to reconsider these rules, with a view to introduce such modifications in them as would (1) prevent retrospective effect from being given to them ; (2) limit the privilege to actual remitters up to a certain amount ; and (3) exclude Eurasians, who presumably have no English domicile ; and (4) lastly, that his Excellency the Governor General in Council will order that no officer who has entered Government service during the last five years, or who may enter it hereafter, should be entitled to the special privilege secured by these rules.'

"But, even allowing every weight to the recommendation of the Herschell Committee, the question now is not whether the Government of India can fairly turn a deaf ear to the appeals of their servants for compensation for the loss sustained by them owing to the fall of the rupee, or whether such appeals are in themselves from an abstract point of view just and reasonable. That is not the question ; that is not the issue now. The question is whether, having regard to the present condition of our finances, when, in the words of Mr. Westland, we must follow a programme of retrenchment and of vigilance, intended to tide us over a transition period, the famine grant should be suspended, even for one year, instead of the compensation allowance. The question now is whether, in order that such allowance should be paid, all administrative improvements should be suspended, and even a few lakhs of rupees wrung out of the provincial Governments out of the fruits of careful administration. In other words, the question is whether, in view of the imperious necessity of filling up the 'yawning gulf' in our finances, the compensation allowance should not either be abolished, reduced, or modified, or at least suspended during the period of transition, in preference to the mode which has been adopted for restoring the equilibrium of our finances. In conclusion, I must say that we are all sensible of the difficulty in which the Government of India has been placed owing to the opposition of Her Majesty's Government to the reimposition of the cotton duties, an opposition which has driven the Government of India to take measures which would seriously retard the improvement of the country, cripple the resources of the local Governments, and may possibly, in the event of a famine overtaking us, result in the loss of thousands or even millions of lives among the poorer people in this country."

The honourable *Lieutenant General Brackenbury* said :—"I came into this council-room prepared to answer in detail or in bulk any criticisms that might be made upon military expenditure, and I must say that I have been most agreeably surprised to find how slight those criticisms have been. My honourable friend Mr. Playfair said that he did not look on the army as a financial reserve for the Government of India. I welcome that statement, and I think it is an expression of the sound common sense which is the characteristic

of the commercial community in this country. My honourable friend Sir Griffith Evans has strengthened the hands of the Government of India in recognising that it is necessary to keep up a strong British army in this country, and he has generously said that he believes that, if the strength of the army is to be maintained, it cannot be maintained more cheaply than it is now. He has suggested one or two points of criticism to which I shall gladly presently reply, and he has again strengthened our hands, I hope, for the future, in pointing out how difficult it would be to maintain such a reduction as that made this year in military works. He has certainly done more for us by that statement, than he has done against us by his criticisms in regard to the Commissariat and the numbers of the native troops, which I am sure I shall be able to meet to his satisfaction. But my honourable friend Mr. Playfair invited me to 'meet with the same degree of fulness the arguments raised in certain quarters for the reduction of the military expenditure.' My Lord, I have never seen such arguments. I have seen denunciations, I have seen invectives, I have seen statements and assertions, and I have seen appeals to the Government of India to reduce expenditure, but I have never yet seen one single argument. I have seen no argument put forward by anybody to show that military expenditure in this country could reasonably be reduced. I think that the absence of intelligent criticism may partly be due to the fact that very few people who question the causes of this military expenditure are properly informed, because our military estimates are not, as a rule, explained in this council in the manner they are in the parliaments of other nations; and I think it is desirable, in the face of the appeal which has been made by my honourable friend Mr. Playfair, that I should state as briefly as I can what is the nature of our military expenditure, how that military expenditure is divided between home and this country, and why that military expenditure cannot be reduced. In doing this I will deal with the estimates of the present year as compared with the estimates of the past year, and I wish openly to state here that the Government of India has nothing to conceal in this matter, that it courts the fullest publicity as regards its military expenditure, and that it welcomes and will always welcome any practical suggestions made to it in the direction of economy.

"Our military expenditure may, first of all, be classed under two heads—expenditure in India and expenditure at home. Over expenditure in India your Excellency's Government exercises practically direct control. Over expenditure at home, except as it is affected by India's demand for stores, the Secretary of State exercises entire control. Now, I would first deal with military expenditure in India. Military expenditure in India comes under three separate heads. First, there are what are called the Indian Budget Estimates; second, the Military Works Estimates; and third, the Special Defence Estimates. Taking the Indian Budget Estimates first, these contain provision for the general administration of the army in India, British and native troops, for the pay of the troops, for feeding them, for clothing them, for the provision of horses for the mounted troops and for army transport, for medical and surgical attendance on men and horses, and for the provision of all the weapons and material of war. Last year, in speaking in this council, I pointed out that from 1884–85, which was the year when military expenditure had touched its lowest after the Afghan War, there was a great jump in the year 1885–86. That year was a year in which the army, both European and Native, was largely increased, and resolutions were taken to prepare for mobilisation, and to have the army at all times fully equipped and ready for war. I showed that between 1885–86 and 1893–94 there had been a rise of Rs. 62,00,000 in the Military Budget Estimates; but that of this Rs. 62,00,000, Rs. 57,50,000 were due to the fall in exchange, and that the actual increase in all those years, apart from what was due to fall in exchange, was only Rs. 4,50,000. Now, we have almost exactly the same tale to tell this year. It is essential that I should deal with net figures in dealing with military expenditure, for our receipts in many items rise directly with our expenditure. The net figures of the Budget of 1893–94, that is, last year, were Rs. 14,98,16,000. The net figures for 1894–95, that is, the present year, are Rs. 15,41,67,000, showing a rise of Rs. 43,51,000. Of this, Rs. 39,00,000 are due to exchange, leaving as due to other causes a rise of Rs. 4,50,000 this year. This rise of Rs. 39,00,000, to explain it more closely, is made up in this way. There is a sum of Rs. 46,50,000 for exchange

exchange compensation, and there is on the other side as against that the sum of Rs. 7,50,000 due to the British soldier's pay, which is taken, subject to revision, at 1*s.* 3¼*d.* instead of 1*s.* 2¼*d.* Now, we have, as I have said, in our estimates a sum of Rs. 46,50,000 for exchange compensation allowance. That exchange compensation allowance has been attacked to-day in this Council, and I will endeavour to show why I think it is absolutely necessary that it should be given to all the officers of the army. The pay and allowances of the officers of the honourable East India Company's service were fixed in the last century. They were composed of two parts. They included British pay, converted into Indian currency at the rate of 2*s.* 6*d.* to the rupee, together with certain allowances fixed in rupees. We have three classes of officers now. First, the officers of the Indian army; the few of them who still remain receive exactly the same pay and allowances as in the old company's days. Secondly, the British officers; the pay and allowances of the British officers were fixed in the days of the honourable East India Company; the principle followed was to make their pay and allowances, as a whole, equal to those of officers of corresponding rank in the company's service; this equalisation was carried out in 1797 and 1811. While as regards the third class of officers, that is, the officers of the staff corps, their pay was fixed in 1861 at identically the rates of the lower scale which had for many years been in force for infantry officers of both the honourable East India Company's service and the British service when not in the field and when serving within 200 miles of the seat of the Government of each presidency. Thus, the basis of pay of all the military officers serving in India is the pay of the same ranks in England converted at the rate of 2*s.* 6*d.* to the rupee, and the allowances in rupees were fixed at a time when the commercial value of the rupee had never, I believe, fallen below 1*s.* 11*d.* and when the Government rate of exchange had never fallen below 2*s.* Now, with a rupee at or below 1*s.* 3*d.*, as it now is, it is evident that the sterling value of the allowances of these officers has fallen 50 per cent. and that the sterling value of their pay has fallen 37½ per cent., while I think that no one can deny that the cost to a British officer of living in India has risen rather than fallen, that there has been a general rise in the price of British goods, and that there is ample evidence to show that prices in India are rising rather than falling as apart from British goods. Under these circumstances, the rate of their pay having fallen 50 per cent. and of their allowances 37½ per cent., so great was the hardship from which officers were suffering that some measure of relief had become not only an act of the most elementary justice, but an act of absolute necessity.

"Now, turning from the exchange compensation allowance to the question of the Military Budget Estimates, I said that, setting aside the differences due solely to exchange, there is a rise this year over last year of Rs. 4,50,000 in the estimates which has to be accounted for. One item alone, and a very unforeseen item, very nearly accounts for it. We had a very bad fire at Peshawar last autumn, and Commissariat godowns, containing great quantities of stores and equipment, were burnt to the ground. The replacing of these stores will alone cost over Rs. 3,80,000. The second item—an incidental item it may be called—is this. Last year, by a mere chance, one of our cavalry regiments was absent for half the year, having been sent to Egypt, and therefore we only took into account in last year's estimates the maintenance of that cavalry regiment for half a year. This year we have to take it for the whole year. That gives Rs. 3,10,000, making, with the above sum of Rs. 3,80,000, on these two items alone a sum of Rs. 6,90,000, as against our total rise of only Rs. 4,50,000.

"The estimates vary in their items and details very much from year to year. Increases in one part of the estimate are met by decreases in another. Decreases, I am sorry to say, are generally more than balanced by increases. I do not wish to trouble the Council with details, but there is one item of increase which I think it is necessary to speak about, and the more so because it is one of those which formed the subject of criticism by my honourable friend Sir Griffith Evans. And that is the question of the Commissariat accounts. These show in the estimates for this year an increase of Rs. 4,90,000 due to rise in the price of food. There was also an increase last year due to the same cause. I made this the subject of a special enquiry, and was furnished by the Commercial branch of the Finance Department, through the Commissary General, with some figures as to prices in India, which I think honourable members of this Council

will find, as I did, somewhat startling. The number of seers of different articles of food which can be purchased for a rupee at different stations, and certain characteristic stations, were taken; and, going back to the year 1884, the lowest, as already explained, in military expenditure, since the Afghan War, I find that the price of rice has risen 38 per cent. between 1884 and 1892 on the average of Madras and Rangoon; wheat, which we have taken for seven stations, has risen 72 per cent. between 1884 and 1892; barley, which is one of our most important items as food for horses, has risen 85 per cent. between 1884 and 1892; and the price of gram has increased 49 per cent. between 1884 and 1892, taking such stations as Cawnpore, Delhi, Rawalpindi and Karachi. Now, this is a very remarkable fact, and, when my honourable friend Sir Griffith Evans asked whether we would enquire whether the Commissariat prices have not risen a little too fast, I am happy to inform him that the Commissariat prices have not risen so fast as the prices given to us by the Commercial Branch of the Finance Department.

"I now come to another subject of friendly criticism by my honourable friend Sir Griffith Evans,—the question of compensation for dearness of food to Native soldiers, and the compensation for forage also given to Native soldiers in the silladar cavalry regiments. Sir Griffith Evans seems to think that the rates of compensation were solely dependent on the certificate of the commanding officer. That is not so. It is perfectly true that a certificate is sent in by the commanding officer that these were the ruling rates in the bazar at the time, and that upon that the claim for compensation is admitted. But that claim is subject to what I consider a most important check. It is subject to audit in the controller's office; it is subject to check by what is known as the *nirik* prices, which are not prepared by the Commissariat Department or by the commanding officer, but by the civil officer of the district, and which are certified to by him, and that is the check upon any possibility of collusion between the commanding officer or his men, which would be very unlikely, or between anyone in the Commissariat Department and the men. That is, I consider, a most necessary, separate and independent check.

"I do not know that, as regards these Indian Budget Estimates, I need trouble the Council any further. I have shown that, apart from exchange, there is a rise of Rs. 4,50,000 this year which is due to circumstances over which we have no control.

"The next matter to which I will refer is the Indian Military Works Estimates. These estimates provide for the construction and maintenance of all military buildings for British troops, and in certain places for the barracks for Native troops, for military roads, for the maintenance of all our defensive works, and for the construction of all such works, other than some to which I shall presently allude, that have been provided for in the Special Defences Estimates. Upon these Military Works Estimates fall the cost of water-supply and drainage of our cantonments and all barrack establishments, also the construction and maintenance of military hospitals. Those of this year show a reduction of Rs. 19,42,000 over last year. Now, I may say at once—and in doing so I am speaking for the Government of India as well as for the Commander-in-Chief and myself—that we have agreed to a reduction this year to meet a financial difficulty; but it will be very easy for me to show how impossible it would be for such a reduction as this to be continued. The system of devoting a fixed grant to military works was settled in 1880, and it was then arranged to give one crore of rupees for military works. That was 21 per cent. below the average expenditure of the previous five years, which had varied from Rs. 1,18,00,000 to Rs. 1,33,00,000 per annum. And therefore the fixed grant given in 1880 was 21 per cent. below the average expenditure of the previous five years. Since that time all the following additional causes of expenditure have been thrown upon the crore:—there has been an increase of 10,000 British troops; Baluchistan has been occupied and barracks for the troops have been built; Upper Burma has been annexed and barracks for the troops have been built there; and, in addition to that, the great demands of sanitary science have compelled us, and rightly compelled us, to do a great deal more for the health of the troops than had been done previously; a water-supply—above all, a pure water-supply—is one of those things which we have endeavoured to obtain for the troops. In 1880 also it was only to the needs of British troops that this crore was applied, but since then we have had to send Native troops to out-of-the-way

the-way places like Baluchistan, where they have to live in severely cold climates, where such huts as they can build with unskilled labour are utterly insufficient, and consequently we have been obliged to build lines for them; and this again and the maintenance of these buildings are drawn from the crore. Last, but not least—the straw that breaks our back—there has come this year upon the crore the charge for exchange compensation allowance for the establishments maintained by that crore. The result is that, though we have agreed to this temporary reduction to meet a financial difficulty, it means practically the undertaking of no new works, the diminution of the amount for repairs desirable to military roads and buildings, and I would say an almost complete stoppage of all sanitary improvements.

"I now turn to the Special Defence Estimates. These Indian Special Defence Estimates contain provision for the original works of certain special defences, such as the defences of the seaports of Calcutta, Bombay, Madras, Rangoon, Karachi, and Aden, and the defences of the passages of the Indus and the defences of Quetta. The maintenance of these special defence works will fall again upon the Military Works Budget. The Special Defence Estimates are only for the original works. In 1890-91 the Special Defence Estimates in India were Rs. 53,66,000; for 1894-95 they are only Rs. 15,23,000; so that there is a diminution here of Rs. 38,43,000. This is due to the fact that the expenditure on original works is coming to an end, and also that we have taken as little as possible this year of the amount remaining to be spent.

"Thus, taking all these different estimates, as far as India is concerned, there is an increase of Rs. 43,51,000 on the Military Budget Estimates, as against a decrease of Rs. 57,85,000 on the Military Works and Special Defence Estimates, which gives a total reduction as compared with last year of Rs. 14,34,000, a reduction which, had it not been for the exchange compensation, would have been Rs. 60,91,000.

"I will next speak of expenditure at home. Expenditure at home comes under three different estimates. These are what may be called the Army Estimates for Effective Services; the Army Estimates for Non-Effective Services; and lastly, the Special Defence Estimates. In 1893-94 the Effective Army Estimates were 2,244,100*l.* This year they are 2,069,200*l.* There is therefore a reduction in the Effective Army Estimates at home of 174,900*l.* this year. Of this reduction we can really only claim here in India the credit for 10,000*l.* We have made our demands for stores this year less by 10,000*l.* than they were last year. The remainder is due to a regulation of payments between the Secretary of State for India and the Secretary of State for War. It is always a complicated business, and we never can know how much we shall have to pay in one year and how much will hang over for the next; but I can only say that the whole of those effective estimates are due to payments under the orders of the Secretary of State which it is very difficult indeed for us to check. As regards the Non-Effective Estimates, those for 1893-94 were 2,253,400*l.*; those for 1894-95 were 2,351,600*l.*; giving an increase this year of 98,200*l.* That increase has as yet been scarcely explained to us by the Secretary of State. We cannot control that. It is practically a question of our share of pensions, deferred pay, and so on, for the British Army, and it is a question of pensions also to the officers of the Indian Services. The rise or fall in it is automatic, and practically out of the control of the Government of India.

"Next, as to the Special Defence Estimates at home. Last year, that is 1893-94, they amounted to 174,700*l.* This year they are 22,600*l.*, showing a decrease of 152,100*l.* Now, whereas the special defences in India are for works, the special defences at home are for armaments, and these home Special Defence Estimates show this great reduction for the same reason that the Indian ones do, namely, that the works and the armaments are coming to an end.

"The summary of all this is that on the whole the Home Military Estimates this year as compared with those of last year show a total reduction of 228,800*l.*, or something like Rs. 39,00,000 at 1*s.* 3*d.* exchange. The total reduction upon the whole estimates at home and here amounts to Rs. 53,34,000, and that after taking into account exchange compensation allowance, but for which there would have been a decrease of a crore.

"I have thus shown that we have effected this year a very considerable decrease in our military expenditure, both in India and at home.

"And now I wish to say a few words on the general question of military expenditure. First of all, as regards those home charges to which my honourable friend Sir Griffith Evans has alluded. It is well known that the Government of India has long held that the home charges were greater than the Government of India thought that they ought to be. The Government of India has made repeated representations on that subject to the Secretary of State, and the Secretary of State has,—there is not the slightest doubt,—given to those representations his most earnsst attention. The question of outstanding accounts between ourselves and the War Office had attracted a great deal of attention, and a committee was formed, with Lord Northbrook as president, which took the question of these payments into account. The result was a very considerable diminution on the recommendation by Lord Northbrook's Committee of the amount which India had to pay to England, and the fixing for the future of a capitation grant of so much per head per man to be paid to the War Office in lieu of the old system of assessing those charges year by year. That no doubt has affected a considerable reduction in our expenditure. But we were still not satisfied; and not long ago—my honourable friend Sir Griffith Evans has quoted the date of the Despatch as having been mentioned in the House of Lords—we did in 1892 address the Secretary of State, and ask him to have this question still further taken into consideration by a Royal Commission; but the Secretary of State has replied to that Despatch, and he says that he does not consider that the questions at issue are such as can be taken into consideration by a Royal Commission; that they involve questions of great Imperial policy, and therefore he does not think it desirable to adopt our suggestion. It will still be open to us, I presume, on any particular points, to press for any change, or to invite reconsideration by the Secretary of State.

"As regards Indian charges, that is to say, military expenditure in India, with which I am of course more directly concerned than with the home expenditure, the position of the Military Member of your Excellency's Council is always a very difficult one. He has, as it were, a double responsibility. He is jointly responsible with the Commander-in-Chief for the efficiency of the army; for under him (the Military Member of Council) are those great services, the Commissariat and Transport Department, the Ordnance Department, the Military Works, the Remount Department, on the efficiency of which the efficiency of the army very largely depends. He has, therefore, a joint responsibility with the Commander-in-Chief for the efficiency of the army, and also that great responsibility which he shares with every member of your Excellency's Council—the responsibility for economy, and in such a time as this the responsibility for keeping expenditure down as low as possible. It is never an easy task. In times of financial pressure it is a most onerous task: My honourable friend Sir Griffith Evans spoke in the recent debate on the Tariff Bill of my honourable financial Colleague grovelling in the dust-heaps among fish-maws and shark-fins to meet a deficit of 3½ crores. I think, if he were to see the Military Secretary, Sir Edwin Collen, and myself, wrestling with such questions as whether we should allow another kerosine lamp in the ward of a hospital or another sweeper in a camp in the hills, or whether we should allow British soldiers in the hills to have hob-nails for their boots, I think he would extend the same pity to us as he has extended to our financial Colleague. I can only say that it is only possible to carry out this task, if the Military Member has, as I have had, a financial Colleague who wisely recognises that there is a point beyond which it is impossible to effect reduction, and a Commander-in-Chief who, with broad and statesmanlike views, has accepted the difficulty of the financial situation, and has been willing to aid me in reducing expenditure. But I think that, if my honourable friend had seen the Commander-in-Chief and myself with a long list of items before us—items, every one of which we had accepted for consideration in the estimates, recognising that each one would either improve the efficiency of the army or the health or the comfort of the soldier—and if he had seen us ruthlessly compelled to strike out these items one after another, some of them amounting to a few rupees, some of them to lakhs of rupees, because of the financial situation, I think he might have used another scriptural simile, and might have rightly compared us to two fond and loving fathers of families who were ordered by Herod to take part in the massacre of the innocents.

"My

"My Lord, the fact of the matter is that the bulk of the Indian Military Budget Estimates cannot be touched. These Estimates are based upon fixed numbers of troops, fixed rates of pay and allowances, fixed scales of food and clothing, fixed armaments, and fixed reserves of stores. The establishments are kept as low as it is possible to keep them, and there are only three possible methods of effecting a reduction of military expenditure. These are (1) either reducing the number of troops, or (2) reducing the pay of the troops, or (3) reducing the reserves of stores. Now, I will deal with the last first. There is hardly anything more easy than to effect a reduction of military expenditure by reducing the reserves of stores. It is so easy that there is great temptation to do this whenever a Government finds itself in financial difficulty; but I believe it to be the most wicked and the most wasteful thing which can be done, especially in India. I was a member in England a few years ago of a Royal Commission of which Lord Hartington was chairman, on the military and naval administration of the United Kingdom. Lord Hartington had been Secretary of State for War and Secretary of State for India. Other members of that Commission were Mr. Smith, who was at the time First Lord of the Treasury, and had been Secretary of State for War; Lord Randolph Churchill, who had been Chancellor of the Exchequer and Secretary of State for India; and Mr. Campbell-Bannerman, who had been previously, and now is, Secretary of State for War. On many points we may have differed, but on one point we were absolutely unanimous, and that was that we thought it so dangerous, even in England—this temptation of Governments to reduce their reserve of stores in order to get money in time of emergency—that we unanimously agreed that it should be an instruction to Secretaries of State to publish to Parliament what was the authorised reserve of stores, and how far the reserve in every department corresponded with the authorised reserves, in order to put it out of their power to reduce these reserves without its being known to the public. If that course be so wasteful and dangerous at home, where you have all the great manufacturing establishments in England at your disposal, how infinitely more dangerous and wasteful would it be in India, where we are dependent upon England for the greater portion of our materials of war? The second method which I have indicated is that of reducing the pay of the British troops. You cannot reduce the pay of the British soldier. It is based on contract, and is untouchable by you. It would be most unjust, and you cannot do it. And, as regards the Native troops, I would wish to point out that here, as in England, ours is the only one nation in the world whose proud boast it is that every soldier in the army is a volunteer. We have no conscription, and if you are to keep up a volunteer army you must go into the market and pay such a rate as will get you the right class of recruit. All my information goes to prove that it would be quite impossible to reduce the pay of the infantry soldier of the Native army below what it now is, and we have only recently had to raise the pay of the soldiers of the silladar cavalry in order to get the right men.

"I come at last to this question, can the numbers of the army in India be reduced? That is not a question on which I would personally wish to express an opinion, for this reason, that the strength and number of the troops as they now are have been definitely fixed by the Government of India and the Secretary of State. After reviewing the condition of India, they have been fixed according to what is considered necessary for safety against external and internal danger. That strength is reviewed by the Government of India from time to time, and has recently been reviewed by us and by the Secretary of State, and no reduction of the army in India can be made by the Governor General in Council alone. No reduction can be made except on well-considered grounds, carefully studied and so reasoned out as to convince Her Majesty's Government; because the strength of the army in India is not only a question of Indian but is a question of Imperial policy.

"I wish I could say that, even with the present strength of the army, there is no probability of a rise in military expenditure, but I cannot honestly say that. I have shown one steady cause of increase—increase in the food prices; food alone amounts in our budget estimates to 180 lakhs per annum. Wages, too, have undoubtedly risen; we cannot get followers for the same wages as formerly. We have been obliged, in some instances, to raise the rates of their pay, and I am very much afraid that further rises may take place.

Special defences erected out of the Special Defences Grant are now all perfectly new, but by-and-bye they will require renewal, and their renewal will fall upon the Military Works Grant. All those things which we have to purchase at home are increasing in cost. As the rupee falls prices rise, and not only is our British cavalry largely, but our British artillery is entirely, dependent upon Australia for horses, and Australia is a country with a gold currency. The volunteers are a constant and steady source, I am very happy to say, of increase in our military expenditure, because their numbers and the numbers of efficients are constantly increasing. Sanitary demands upon us cannot, I venture to think, be withstood. A pure water supply and better sanitation for our cantonments, in order that that curse and scourge of India, enteric fever, may be reduced, these are absolutely necessary; and above all things, there is one class of our estimates in which expenditure has risen, and if science continues to go on doing for military armaments what it has done in the past, expenditure will continue to increase in a most extraordinary way. I refer more particularly to the ordnance part of our expenditure. To give you some idea of what these changes in armament mean with regard to increased expenditure, I will cite a few instances. We have recently re-armed our field batteries with 12-pr. breech-loading guns, instead of 9-pr. muzzle-loaders. The 9 pr. muzzle-loading gun cost 90*l.*, and the 12-pr. breech-loading gun costs 270*l.*; that is three times as much as the 9-pr. The 9-pr. battery cost 2,652*l.*, while the 12-pr. breech-loading battery costs 5,325*l.* Again, we have recently armed our British infantry with the Lee-Metford magazine rifle. The rifle itself costs little more than the Henry-Martini, but its ammunition costs Rs. 103 per thousand rounds as against Rs. 52 per thousand rounds for the old rifle. The shells for the 12-pr. cost 68*l.* per hundred, and shells for the 9-pr. cost only 15*l.* per hundred. The sights of a 9-pr., again, cost 2*l.* a-piece, while the telescopic sights for the 12-pr. cost 12*l.* To turn to the larger ordnance. It is a very long time, quite a matter of ancient history, since I joined the army. But when I joined the army the largest gun was a 68-pr., and the price of it was 97*l.* The price of a 10-inch gun mounted in India now is 10,000*l.*, and only a few years ago, before your forts were re-armed, the 9-inch gun mounted in India cost only 1,500*l.* The projectile of the largest gun in the service now costs 23*l.*, so that four shots from the largest gun in the service now cost as much as the largest gun cost when I joined the army. These facts will give you some idea of the uselessness of talking about reducing military expenditure, in the face of the greatly increased expenditure arising from improvements in armaments and weapons of precision which have resulted from the progress of modern science, a charge which in the nature of things, too, must ever go on increasing, and which will always add very greatly to our financial difficulties. All that I can promise to do is to use every effort to keep down military expenditure consistently with the efficiency of the army for war. The most searching inquiries are in progress into all causes of increase, and will be pushed home. A system of control which we have lately introduced will enable the Military Member of your Excellency's Council to keep his finger on the pulse of military expenditure constantly, in a way that I think it had been impossible to do before. Every rise of that pulse will be marked, and such remedies as are possible will be applied. But, I repeat, our army, British and Native, is an army of volunteers, and I could conceive no more dangerous or foolish course than to push economy to the point of either diminishing efficiency for war, or creating discontent in the army."

His Honour the *Lieutenant-Governor* said: "I have a few remarks to submit to your Excellency's Council on the subject of the so-called Famine Insurance Fund. I do not propose to join the noble army of those who have so often and so unsuccessfully attempted to explain away the misconceptions which have grown up round this unfortunate phrase, or to enlighten the invincible ignorance which prevails on the subject in the minds of the public. I call it an unfortunate phrase, because a surplus and an insurance fund are things totally different in character. An insurance fund must be kept up regularly, or the insurance is vitiated; a surplus is a result which you may aim at, but which circumstances beyond your control may make it, as now, impossible for you to achieve. If this unfortunate phrase had not been in use, it would have been unnecessary for my honourable friend the Finance Minister to say that he intended

intended to suspend the Famine Grant; it would have been sufficient for him to say that, as he had a deficit, he had not got a surplus. But even here, in the purest region of official thought and language, a misconception is created by the use of this misleading term. The Honourable Finance Minister has told us that he has got a deficit of three crores to meet. But, when he says that, he does not mean what you or I should mean if we used that expression, nor what the public thinks he means. He has really only got a deficit of two crores, that is to say, his estimated expenditure exceeds his estimated receipts by two crores. But he would like to have a surplus of a crore and to spend it on reducing debt or on protective public works, and compared with that ideal position his revenue is too small by three crores.

"But, my Lord, my object in addressing the Council to-day is not to dispute about the use or meaning of words, but to ask the Council to consider the question how this resolution to provide, if possible, an annual surplus of 1½ crores arose, and whether the conditions have altered so far that the necessity for such a provision has wholly or partially passed away.

"The original calculation of the amount of the so-called Famine Insurance Fund was made in this way. In the ten years preceding 1878 there had been two great famines, or rather one great famine, that of 1877, and one severe scarcity, that of 1874. In these two cases the expenditure on famine relief, including remissions of revenue, had been 16½ crores of rupees. But, assuming that this expenditure had been somewhat exceptional, the Government estimated that 15 crores might be taken as the amount that would ordinarily be spent on famine relief in ten years; and therefore they decided to provide a surplus of one-tenth of that sum, or 1½ crores, each year, which should be spent either on reducing debt or on protective railways, so that, when the next famine came upon us, it would cost less to meet it, because we should have an enlarged railway system by which to transport food, or, if we had to borrow, we should be in a better position to do so, and should not have increased the total volume of our debt.

"Nearly at the same time the Famine Commission approached the problem from a different direction. They held that the maximum number of persons to be relieved in the worst conceivable year was 2½ millions, and the cost of such relief, at Rs. 50 per head, was 12½ crores. Calculating from past experience, they estimated that the average number to be relieved in a series of years would amount to a little less than 250,000 persons, and the cost of such relief to 1¼ crores per annum. Their estimate, framed in 1880, was therefore a little lower than that framed by the Government of India in 1878, and the convergence of these two independent modes of calculation justified the belief that the amount which it was intended to provide as a surplus (1½ crores) was not likely to be exceeded as the average charge for famine relief over a series of years.

"Speaking in this Council in 1877, Sir John Strachey said:—

> "'Unless it should be proved hereafter by experience that the annual appropriation of a smaller sum from our revenue will give to the country the protection which it requires, we consider that the estimates of every year ought to make provision for religiously applying the sum I have mentioned (that is, 1½ crores) to this sole purpose.'

"I venture to think that the time has come for inquiring whether the grounds on which this figure of 1½ crores was arrived at still remain unchanged. My honourable friend, Mr. Playfair, has led up to this inquiry by his question in the speech we have just heard, whether the Government of India is now prepared to say—and he presumed it is not—that an adequate network of subsidiary railways has been completed throughout the Empire, and that the precautions initiated for the protection of the people from the financial as well as from the material consequences of famine have been completed. I shall attempt to show that so large a sum is no longer required for the special purpose of providing against the expenditure likely to be incurred when a famine visits us, although it must always be desired that a surplus of this amount should exist and should be available for the development of the resources of the country.

"I begin by reminding the Council that the calculations made by the Famine Commission showed that the provision of 20,000 miles of railway,

nearly half of which had been completed at the time the Report was written, would suffice to ensure the means of sure and speedy transport of food into every part of India that is liable to be afflicted with famine. The cost of constructing an additional length of 10,000 miles of railway was estimated by them at 60 crores of rupees. But they went on to say that 'it was probable that less than one-half of the length first named, or 5,000 miles, in addition to the existing lines, would go far to remove all future risk of serious difficulty in supplying food to any part of any district in the whole country.' The number of miles of railway open at the end of 1893-94 was 20,395; and, though this includes some military lines on the frontier, and some others which only indirectly serve for the transport of food, it may safely be said that we have more than covered the minimum of 5,000 miles of additional lines demanded in the above quotation.

"The next point I wish to bring forward is that the Famine Commission drew up (page 172 of their Report, Part II.) a list of the railways which they thought specially requisite for the purpose of protecting the parts of India most exposed to famine. They specified in the Punjab the track north and north-west of Delhi irrigated by the Western Jumna Canal; in the North-Western Provinces, the province of Bundelkhand; in Bengal, the districts of North Bihar and Bhagalpur, and country to be traversed by the East Coast Railway from Calcutta to Cuttack and on to Madras through the Godavari and Kistna deltas; in Madras, the Ceded Districts, which ought to be put in communication with the same deltas; in Mysore and the Bombay Dekkhan, certain projected lines connecting those districts with the existing railways and with the sea. The Council is probably aware that the whole of this programme, except the East Coast Railway, which is still in hand, has been carried out. We have constructed the Delhi-Umballa-Kalka line, the Rewari-Ferozpur line, the extensions of the Tirhut and Northern Bengal line, the Indian Midland, the Southern Mahratta system, and the Nellore and the Bezwada-Guntakul Railway, and we have made two important protective railways besides which the Famine Commission did not contemplate, the Dharmaveram-Mutupet, which runs through some of the poorest parts of the Madras Presidency, and the Bengal-Nagpur, which, though not penetrating a region likely to be visited by the famine, taps the rich districts of Chattisgarh, and enables their food-stuffs to be carried to the relief of distress in other parts of India. The total mileage of these lines is 4,896 miles, and the East Coast, which is unfinished, if carried out to Madras and to Calcutta, will add about 1,070 miles to the number. We have thus in these fifteen years carried out almost all the schemes which the Famine Commission held to be necessary for the protection of the country against famine, and two useful schemes besides, and it is a reasonable thing for us now to reckon up the results, and to consider what remains to be done. Have any defects been discovered in the scheme of the Famine Commission? Is there any tract which they did not know of, but which we now know to be specially liable to famine and unprotected against it? I am not aware of any. Speaking with such authority as attaches to me as Secretary to that Commission, and with such knowledge as I have gathered in the various offices I have filled since that time, I do not hesitate to say that the only considerable spot in India on which I could now lay my finger, as both liable to severe famine and insufficiently protected against it, is Orissa. When the East Coast Railway is finished—and I trust that whatever constructive work is starved in this black year my honourable friend the Minister for Public Works will not allow this work to be starved—I believe that the work of railway extension with the special object of famine protection will, as far as human foresight can guide us, be completed.

"It seems obvious, then, that the results being attained, the efforts for achieving those results may cease or be relaxed. Insurance becomes less costly as the danger from fire decreases. Our house was of thatch. We have rebuilt it in brick and iron. Surely we no longer need the apparatus of water-buckets and the machinery for pumping and the staff for applying the hose which we were obliged to provide before.

"It may be said 'this is mere *priori* argument; you think you have provided a machinery for putting down famine, but wait till it is tried. You have fortunately been spared any such visitation as that of 1877; who can tell that, if such a calamity should recur, you may not have to pour out money again like water

water to save life?' To this I answer that we have been tried, and our machinery has been found to work and act successfully. We have certainly not experienced such a famine as that of 1877-78, or of 1868-69, and may we long be spared such visitations; but, as far as I can judge, we have experienced droughts and climatic conditions similar to those which produced the famines of 1861 and 1874, but we have escaped from experiencing the same effects. The Bengal famine of 1874 was one of those the expenditure on which (about six crores) was included by Sir John Strachey in framing the estimate of 15 crores as the cost of famine relief in a ten-year period; and I think it is not too much to say that the possibility of such a famine or such an outlay has been stamped out by the construction of the railway system north of the Ganges. In Behar within the last six years, in 1888 and 1891, there was a failure of rain equal or very nearly equal to that which occurred in 1873. My predecessor in 1889 and I myself in 1892 made preparations for a visitation of famine, but we had to meet nothing worse than severe scarcity in a limited area. On both of these occasions, in place of the six or seven crores of 1874, we had to spend three or four lakhs of rupees. I say therefore that such a famine as that of 1874 is now impossible, and such an outlay as that will not be again required and need not be provided for. You can wipe six crores out of your bill of 15, and even then you will have provided amply, and more than amply, for the worst attacks that fortune can make upon you.

"No doubt the same experience has been shared by other parts of India. I believe that my honourable friend Mr. Lee-Warner will bear me out when I say that in the Kaladgi or Bijapur district of Bombay, where the famine of 1877 fell heaviest in that presidency, there were two years, between 1880 and 1885, when there was an almost complete failure of rain, and the blackest anticipations were indulged in. But the newly-opened section of the Southern Mahratta line poured in such an ample supply of food that panic never got its head, prices were kept down, and, though the Bombay Government were on the watch and kept many lakhs of rupees in reserve in case of a demand, there was no necessity for any large famine expenditure.

"As a matter of fact, the accounts show that in the last thirteen years the direct expenditure on famine relief has only been Rx. 337,760, or less than 34 lakhs, or than three lakhs of rupees a year. The rest of the surplus has been spent, 5½ crores on protective railways, 5½ on reduction of debt, and 1¾ on irrigation works. If, therefore, the calculation which was made by Sir John Strachey in 1878 were now repeated, it is clear that the Government might be content to provide three lakhs of rupees instead of 1½ crores for expenditure on famine relief proper. If the calculation made by the Famine Commission were now re-made *de novo*, it would be necessary to ascertain the cost of the uncompleted part of the East Coast Railway and of any other railway projects which later experience has shown to be requisite for the protection of exposed tracts, and to distribute that total amount over a certain number of years, as the provision which it is necessary to make against famine. To this must be added the amount hypothecated to meet the loss on the guarantee on the Indian Midland and Bengal-Nagpur Railways, as long as that loss continues, which I trust will not be many years more. But in any case, I trust I have convinced the Council that there is good reason for thinking that it is no longer necessary to set apart so large a surplus as 1½ crores for the definite purpose of meeting the recurring expenditure which the occurrence of famines entail. It is, of course, always desirable to budget for a surplus, and the larger the better; but my respectful advice to the Government of India now is that they should re-consider the amount which it is requisite to attempt to provide, and should, in future, frankly and fairly call it a surplus, and drop the phrase Famine Grant or Famine Insurance Fund altogether."

The Honourable Mr. *Westland* said:—"The remarks of honourable members with regard to myself have, for the most part, been expressions of sympathy with me in my financial distress, for which I assure the Council I feel very grateful; but the circumstance points to one special feature in the present position. It is this, that the Budget is not put forward by the Government of India as one that is satisfactory to itself; our programme pretends only to be the best that we can frame under the conditions on which we are this year compelled to work. I shall not, therefore, attempt to defend our position upon its merits; the mere fact that I have declared a deficit for the coming year is

sufficient to show that the position is indefensible on its merits The controversy upon this point hangs round the question of the cotton duties, and that is at the present moment rather in a political than in a financial phase. Its financial aspect has been ably treated by my friend Sir Griffith Evans, who, to use a celebrated phrase, can speak from a position of greater freedom and less responsibility. Every word that he uttered in criticism of the general financial position displayed in the Estimates I could easily accept as my own—it is a position of strain which can last only for a limited time, and which we have loyally accepted for that limited time, under the circumstances already fully laid before the Council. But on this general question I abstain from entering on further discussion, for I could only repeat what I have said on an earlier occasion.

"I wish to say, before I pass from the general subject, how much I appreciate the efforts which were made by the heads of the great spending departments, General Brackenbury and Sir Charles Pritchard, to reduce their demands to the very lowest point. Had it not been for their assistance in this matter, I certainly would never have succeeded in producing in my Estimates so low a deficit as only 30 lakhs of rupees.

"Before discussing the larger questions arising out of the debate, I propose to take up one or two smaller subjects to which the Honourable Mr. Playfair and other members have made reference. Mr. Playfair, with some justice, complained of the very short time allowed to the community of Calcutta to consider the financial statement before our taking up the final discussion. It is due to the misfortune, for which I am afraid I cannot accept responsibility, of Easter falling during the week that succeeded the presentation of the Estimates. The Estimates themselves are fixed by certain circumstances within a very narrow limit of time. Our practice is to have everything practically complete about March 10th, and then, before closing the figures, to wait for the reports of the receipts and outgoings of the month of February. These come to us, say, about March 12th to March 15th, and we proceed to make any final corrections in the Estimates which seem on the consideration of February's figures to be called for, and close them about March 15th to 18th, so that they are ready, after the necessary examinations, for presentation to the Council about March 21st or 22nd. I mention this in order to show that in the regular course of business we could not avoid presenting the Estimates just before the Easter holidays. The honourable member is aware that the curtailment to five days of the week ordinarily allowed for consideration was due to arrangements made for the convenience of certain non-official members who would have been unable to attend on Thursday. I shall do my best to make better arrangements next year, as I shall certainly avoid any cause which would deprive the Government of the helpful criticism of the Bengal Chamber of Commerce.

"Mr. Playfair has asked me certain questions about opium cultivation, and the short crops of the last two years. In the first of these years the shortness of the crop was due to drought, which produced a small crop of high consistency, and in the second it was due to heavy rains, which produced a large maundage but of very low consistency. The causes were, therefore, in both cases climatic. The question of increasing the payment made to cultivators has been already under consideration, but it was impossible to take any definite steps while the whole question of opium in India was under examination by a Royal Commission. The fact is that for years our hands have, in the matter of opium administration, been very much hampered by the persistent calumniation and misrepresentation which we have suffered from an English association of gentlemen, who think that the excellence of their motives is sufficient justification for the baselessness of their statements. We are very glad that the whole subject has, to their dismay, been made the subject of elaborate inquiry instead of a simple condemnation; and, though we do not in any way presume to anticipate the findings of the Royal Commission, we cannot conceive but that, after the evidence which has been made public during the last cold weather, the result will be to leave the Government of India more free to administer its opium department in the manner which it knows to be right and just to all interests concerned, without the perpetual presence of the feeling that every step it takes will be misunderstood and misrepresented in England.

"As

"As regards the price of opium taken in our estimates, the Honourable Member is right in his supposition that we consider the price to be largely influenced by the fall of silver. China, as he is aware, is a country with a silver currency—a currency which cannot be protected from depreciation in the manner in which we have protected ours. Our opium fetches a certain number of dollars in China, and the Calcutta prices are determined by the China prices. The fall in the value of silver can at any rate have no immediate effect upon the dollar price in China, but it makes those dollars produce a smaller number of rupees in India. I cannot say if we can rely upon receiving, during 1894-95, the amount of opium revenue which we have taken in our estimates—it is notoriously one of the items in which our estimates are very uncertain. But I have at any rate taken a lower revenue than has ever yet been estimated, and I live in hope that it will be realized.

"My honourable friend asks me if I can justify the exchange rate of 14*d.* taken in the estimates. I admit I cannot do so with any confidence, but I ask him, in turn, what rate he would propose, and how he would justify that rate. The whole question of exchange is at present in a state of flux, and the question what rate we should realize depends upon many circumstances. It depends more than anything upon the rate that will prevail during the next export season, and I do not know that any man in India can foretell that. Fourteen pence may prove too high, and, on the other hand, it may conceivably turn out too low. I think it is a fair and not too sanguine compromise between opposing considerations.

"I was pleased to hear that it was possible to hold the opinion that our accounts, if properly made up, would shew a surplus of some millions, instead of the deficit I have deduced. But I am afraid that I cannot accept the view. The manner in which the accounts of India were made up till about 1884 was this. The sterling pounds of the English expenditure were added to the Rx. of the expenditure in India, and then to the total of the whole was added an item called 'Loss by Exchange,' which was the difference, as compared with two shillings, upon the actual remittances of Council Bills during the year. One result of this system was that, in any year in which the Secretary of State failed to obtain by his drawings the full amount of his expenditure, the result of the year's account was benefited by his failure. While the rupee remained somewhere in the vicinity of a tenth of a pound, no great harm was done. Remittances sometimes fell short of, and sometimes exceeded, the expenditure of the year; but, taking year's account with year's account the result on the whole was fairly correct. But, when the rupee began to sensibly fall away from this standard, the difference threatened to vitiate our accounts. I was Comptroller General at the time, and I urged upon the Government that the only way our accounts could be protected from serious inaccuracy was by taking the sterling expenditure to account at its actual equivalent in rupees, whether the amount was, or was not, obtained by actual remittances during the year. I may say that the inaccuracy to which I refer was, or rather would practically always have been, an inaccuracy in understatement of the expenditure. After some discussion, in which the sole question was how to frame the accounts so as to express the facts with the greatest correctness, my proposals were accepted, and since then we have, in adding £ sterling to Rx., inserted the column which is headed 'Exchange.'

"The peculiarity of our accounts, as is well known, is that, while all our revenue is received in rupees, a large portion of our expenditure is in sterling, namely, some 15½ million pounds. Now, I hold that, to make your accounts correct, you are bound to set every pound of that expenditure against your revenue, as absorbing, say, 16 rupees of it. If you meet the 15½ million pounds by remittance, this is the result that actually takes place, and you have met your £ sterling liabilities out of your actual revenue. If you do not make the remittance, you will have to borrow money in sterling and pay sterling interest on it in future until you do discharge the liability by remittance; but, however you put it, you do not meet the sterling charges of the year until you charge them off (or, in fact, until you have met them by actual remittance) at their full equivalent of R16 per £. That we separate the R16 into two columns, of which the first shows R10 and the second R6, is a matter of convenience; the essential point in the account-keeping is that we bring in the

whole R16, and, if it were not for this fact, the first column where the R10 is shown would not have any business in our accounts at all. I cannot conceive the correctness of a system by which, during a year like the last, in which our remittances fell short by 8,000,000*l.*, we would become entitled, by reason of that failure, to bring Rx. 5,000,000 to credit of revenue; and I am quite sure that no book-keeping arguments would for a moment be allowed in justification of such a course. Mr. Playfair is perfectly correct in his description of the book-keeping entries by which the amounts are brought upon our books; but the technical answer to his argument is that the credit to deposit account by debit of the exchange that we have charged off is *not* closed to profit and loss, but is closed to balance and held at credit to meet the charge upon the theoretically necessary eventual remittance which will discharge the liability. But there are certain matters relating to the presentation of the Government accounts which cannot be discussed from the mere book-keeping point of view; and I am quite sure that in no mercantile accounts could 1*l.* of expenditure be charged off as R10 on the mere ground that no remittance had been made to meet it.

"I pass on to the more general questions which have been raised during this debate; and the first of these is that relating to the Famine Grant.

"The questions involved in the so called resumption of the Famine Grant have been several times explained in this Council. The very positive statements of Sir John Strachey and of Lord Lytton have repeatedly been brought forward, as if they interposed some insuperable obstacle in the way of the Government doing what seems to it, from all considerations, right and proper with its resources. I am free to admit to the full the argument that these statements—pledges if you like to call them so—bind the Government of India, in some special way, to recognise in its financial arrangements the necessity of providing for famine, even in a year in which famine does not occur. But that every other financial consideration has to be subordinated to this one necessity was never their meaning. Sir John Strachey himself at the very beginning foresaw that an absolute pledge of this kind was an impossibility. He said:—

> 'It is the firm intention of the present Government to apply the funds now to be provided for this special purpose strictly to the exclusive objects which they were designed to secure. In such matters, no doubt, Governments cannot fetter their successors, and nothing that we could now say or do would prevent the application of this fund to other purposes. Without thinking of a future far removed from us, events might, of course, happen which would render it impracticable even for us, who have designed these measures, to maintain our present resolutions.
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> 'So far, however, as we can now speak for the future, the Government of India intends to keep this million and a-half as an insurance against famine alone. In saying this, I should explain that we do not contemplate the constitution of any separate statutory fund, as such a course would be attended with many useless and inconvenient complications, without giving any real security.'

"Had it not been for the ample explanation already laid before the Council by Sir Charles Elliott, I would have gone on to quote the statements made by Sir Auckland Colvin on the subject of the alleged permanent obligation of the Famine Grant; but I shall content myself with referring to the discussions in this Council in March 1886, and to the explanations given in the Financial Statement of March 1887 (paragraph 71, &c.). I think it is a little unfair to the Government that the question of the resumption of the grant should, at this stage, be attacked as if it were something altogether new and unheard of. As a matter of fact, I am only repeating a policy adopted, and fully justified, by Sir Auckland Colvin, under similar circumstances; and I should not be called upon again to reply to arguments which he fully disposed of at the time, and which are now again brought forward as if no reply or explanation had ever been given with respect to them.

"But, first, as regards the redeeming of the so-called pledge of Sir John Strachey and of Lord Lytton, I find from past accounts, that, during the 13 years

years beginning 1881–82, the following moneys have been appropriated out of this fund:—

	Rx.
Actual Famine Relief - - - - - -	294,000
Protective Railways - - - - - -	5,483,000
Irrigation - - - - - - -	1,732,000
Bengal-Nagpur and Midland Railways - - -	2,772,000
Reduction of Debt, direct or indirect - - -	5,327,000
TOTAL - - -	15,609,000

"Considering in what financial straits the Government of India has been during part of this period, I think these figures show a fair redemption of the pledge given that a surplus revenue should be raised and spent upon Famine Relief and Insurance.

"In fact, I think Sir John Strachey himself would admit that the time had now come to consider whether, in our present state of preparedness for famine, the old obligation still remained to us to find 1½ crores a year upon famine policy and insurance. His own statement, in continuation of the quotation I have already made, was—

> 'Unless, then, it should be proved hereafter by experience that the annual appropriation of a smaller sum from our revenues will give to the country the protection which it requires, we consider that the estimates of every year ought to make provision for religiously applying the sum I have mentioned to this sole purpose.'

"Sir Charles Elliott has already dealt with this aspect of the case, with an authority to which no other officer of Government can lay claim. For his experience as Secretary of the Famine Commission in laying the foundation of the policy, and afterwards as Public Works Member of the Government of India in helping to carry it out, invest his opinion on the subject with a special value.

"But that the actual question of the suspension of the grant is in the present year more a question of book-keeping than of anything else will be apparent from what I said in my Financial Statement. If we had maintained the grant upon our accounts, we would spend upon the East Coast Railway the amount of 110 lakhs which is to remain uncharged during 1894–95. Although I am charged with having resumed, and in some way appropriated, this amount, I have, as a matter of fact, arranged that 76 lakhs shall nevertheless be spent upon this very railway, though charged to another head. I am, in short, not stopping the actual outlay of the money, for, with the exception of 34 lakhs of rupees, the whole of the 150 lakhs supposed to form the Famine Grant will be expended during the year in exactly the same way as it would be if the grant were still charged off in our books.

"Now, in all these discussions about resumption of the grant, one thing seems to me to be forgotten. It ought to be distinctly stated by our critics what their alternative is. There are only two possible alternatives: if you continue to charge off the grant, you must either declare a deficit of Rx. 110 lakhs in excess of my figure, or you must raise a further sum of Rx. 110 lakhs by taxation. We have given reasons why we consider this second course inadvisable for the present year; and, as regards the first, it is, except as regards the 34 lakhs by which we consider it advisable to reduce the expenditure, little more than a question of book-keeping. The declared, and the substantial, object of the Famine Grant policy was the maintenance of a sufficient surplus of revenue over expenditure to provide for certain charges. If you do not possess that surplus, and overpowering financial considerations prevent your taking measures to recover it by searching out new taxation, you are not a whit nearer carrying out the Famine Grant policy, when you write down in your accounts that you have spent a certain amount which you know you have not obtained by raising revenue to meet it.

"More than one reference has been made in the speeches of honourable members to the desirability of our employing in some fashion, to the advantage of the State, the large silver balances which at present lie in our Treasuries. We are urged to use them on the construction of railways, or on the purchase —by which, I presume, is meant the discharge—of our rupee paper.

"Now it must first of all be borne in mind that the main object of Indian Finance at present is the re-establishment of the rupee; to that alone we look for our future salvation, for, if we succeed in this object, everything else is easy to us. The loss for a year or two of the benefit we might get from the utilisation of our excess silver balances (which by the way is wrongly put at 84 lakhs, for we could obviously not part with more than ten crores of the amount) is as nothing compared with the gain, both financial and commercial, which will accrue to us if the rupee settles to a rate of 15*d.* or 16*d.*, and becomes independent (as I think it has already become) of the value of bullion. I therefore lay it down as an axiom, so far as present circumstances are concerned, that we should not use those balances so as to interfere with our currency policy. And I think it obvious that any measure which sets these balances free for commercial use—either by expending them, at a rapid rate, on railways or by using them in the discharge of loan—is not only an interference of this kind, but is a measure whose direct effect will be to defeat the object of our currency legislation. We have already lost enough by being obliged to considerably increase sterling debt; the only gain which we can set against that loss is the fact that on this side of the sea the same circumstances have led to the temporary lock-up of some ten crores of rupees. I would have preferred, as I said before, that things had gone on in regular course, and the said ten crores issued in payment of Council Bills. But the commerce of the country would not have it so, and we must accept the position in which these commercial forces have landed us. I am aware that by issuing these moneys I might reduce the rate of interest from its present figure of 9 or 10 per cent. to perhaps four or five. But unfortunately commerce has declared that a rate of 9 or 10 per cent. is necessary to induce merchants and banks to supply themselves with funds by the regular and ordinary method of Council Bills. I would not consider myself justified in creating a stringency of money by the withdrawal of funds from the money market, and I have never attempted such a policy; but when, in the ordinary course of commercial dealings, and as a result of the action of commercial forces, this result shews itself, I accept the fact, and I do not attempt to resist the operation of these forces by flooding the market with my pent-up rupees. The only result would be that another failure of Council Bills would take place, and my rupees would all come back to me. We have realised during the last few months the fact that it is to the operation of commercial forces alone that we must look for the accomplishment of the objects of the currency legislation, and I must, if I look for success in the operation, allow free play to that particular force which has driven into my reserve treasuries ten crores of rupees for which I have no use. Any attempt to use them would certainly cost the State more by the fall in the value of the rupee than we could possibly get by investing them, in any way, in our own loans.

"My honourable friend Mr. Playfair has suggested that five crores of this balance might well be used in pushing forward the construction of railways, and he has contrasted our rate of progress in railway construction unfavourably with that of the United States of America. Now, first of all, I wish to point out that the expenditure of money upon railway construction, or at least its economical expenditure, does not depend merely upon our possessing the money to meet the charges. It is the result of elaborate arrangements that have to be made beforehand—plans, arrangement of work, settling of establishments, purchase and manufacture of material. Our railway contruction is therefore carefully planned beforehand for some years in advance, and, although minor modifications in these plans are possible, such an utter change in them as is involved in the sudden addition of five crores to our outlay is, otherwise than as a form of waste of money, impossible.

"I wish to point out that the stringent measures we have had to adopt with regard to our revenue account have not forced us into any very great diminution in the rate of progress of railway construction. The figures I gave in my estimates will show that the total outlay on construction (including protective railways) is on the whole only reduced from Rx. 4,027,400 in 1893-94 to Rx. 3,450,000 in the coming year. And the comparison which my honourable friend has made between the rate of construction in India and the rate in the United States is, in more than one respect, unjust to India. It may be true that we do not reckon in our yearly construction as many hundreds of miles as the United States reckon thousands, but then, if you take the construction of railways

ways by the State, it must be remembered that the Government of the United States does not contribute a single mile to the construction in that country. We possess some 17,000 or 18,000 miles of railway in India, of which there is hardly a single mile that has not been constructed either by the State or under its guarantee. I do not think there is a single mile of the United States Railways which can in the same way be attributed to the direct outlay or direct financial assistance of the Government. In the matter of railway construction by the State, I feel sure that the Government of India can challenge comparison with the Government of any other country in the world. And I rather think that, in his quoted mileage, my honourable friend has restricted himself to direct construction by the State, and has omitted certain current construction by companies under contract with the State.

"I must confess to a little surprise in finding the proposal put forward by one of the commercial Members of your Excellency's Council that we should buy silver at its present low price, and coin it for issue at the appreciated value of the rupee. It ought not to be necessary to point out that any such process is in its nature a fraud upon the present holders of rupees. Every lakh of rupees profit which we make by such a transaction accrues to us by diminution in the value of all existing rupees—that is, by an operation of indirect plunder of the existing possessors. The analogy of copper coin is in no way in point; copper coin does not pretend to represent in its intrinsic value anything like its coinage value, and the latter is maintained only by our practically undertaking to issue to any holder of 64 pice a silver rupee in exchange for them. At present, our rupees are certainly, to use the technical language of economics, neither a token nor a coin. We want them to pass from the 'coin' state to the token state, and they are at present in the transitional stage; but nothing is more certain than that, if we continue to coin them before they reach the token stage, they will never reach it at all.

"I may be permitted to quote in this connection an extract from some instructions which I wrote a short time ago regarding the advice to be given to Native States about their currency. I said—

> 'If they adopt, to begin with, the policy of maintaining the existing par of exchange with British rupees, as most of them are now doing by closing their mints, they will give their coin the same appreciative value as the British rupee, and the temptation will always be present to the Durbar to make a handsome profit by buying silver and converting it into coin. The loss necessarily falls upon the holders of existing coin, which will be at once depreciated by such a measure, the profit of the Durbar being one that may be once realised, and then is exhausted. But I do not know if every Durbar that undertakes coinage will be able, if matters are left to themselves, and no systematic policy expressly adopted by the Native States, to withstand the temptation of practically plundering its subjects by abandoning the policy now advised, and in many cases apparently adopted, of maintaining a par of exchange with Government rupees.'

"I shall certainly refuse myself to fall into this temptation.

"Occasions such as the present are almost the only public opportunities which a member of your Lordship's Government has to reply to criticisms publicly made upon our action: I therefore make no excuse for asking your Lordship's permission to refer shortly to some matters affecting my department, even though they have not been made the subject of criticism in this Chamber.

"I wish especially to refer to the kind of criticism which is not unfrequently directed against us in England.

"My first reference is to a pamphlet published at the end of last year by a gentleman who may be called a professional financier, the statements in which have been quoted, on the authority, I presume, of the author's reputation, in the House of Commons; and I have seen them also quoted in this country. The author, after stating certain figures as belonging to the Indian Accounts of 1879–80, and comparing them with certain other figures of 1892-93, finds a difference of 22 crores of rupees as the increase of expenditure, excluding exchange, between the two years. He then says:—

> 'It seems difficult to believe that the Indian Government, which never says anything about the 22 crores of additional general expenditure, should come to grief over a crore or two of further loss on exchange.'

"The explanation is simply that our critic has blundered in picking out his figures. The figure he took from the earlier year was the total of expenditure, excluding the railway revenue account, and the figure he took from the later year was the total of expenditure including that account. As the expenditure on this account in 1892-93 alone amounted to about 21 crores, it would itself be sufficient almost to account for the difference which our critic brings out, and which, it will be seen, only means that we were in 1892-93 the possessors of some thousands of miles of railway which very nearly paid their own charges, interest and all. Of course, there have been other increases of expenditure between the two years, but they are concealed by reason of another mistake committed by the author in taking out the figures. He omitted to observe that the figures of the earlier year included nearly five crores of war expenditure!

"I quote this as a specimen of the kind of thing which is seriously accepted in financial circles in London as criticism of Indian finance.

"Let us pass to another case. Honourable Members may remember a recent telegram which Reuter for some mysterious reason thought it worth while to send out from London, which told us of an article in a leading London newspaper, bidding us in a vague and airy way to give up talking about cotton duties, and go in for reductions in all departments of viceregal expenditure. I have seen this quoted in one or two Indian newspapers with the very natural inquiry: what did the writer mean by 'viceregal' expenditure? I can explain the expression only in one way. Indian newspapers know something about Indian finance, and they know, therefore, that, of all the adjectives of which the English dictionary affords a choice, 'viceregal' is a most singularly inappropriate one to apply to Indian expenditure. The writer in England, I am afraid, used the expression simply because he did not know that 'something about Indian finance.'

"I pass to another case, one of the London financial papers, which reached us by last mail, the "Statist" of 24th February. The writer says—

> 'Even at the present value of the rupee, the expenditure in India this year is estimated at 53 millions sterling; and, if we may use the word without offence, it is nonsense to tell us that no further reduction can be made in an expenditure of 53 millions sterling.'

"Now, the beauty of an argument like this is, that you can never escape its force. Let us assume, for the sake of argument (I would not admit it for any other reason), that by hook or by crook we could reduce the expenditure by the three odd millions. Back would come the old argument, 'it is nonsense to tell us that no further reduction could be made in an expenditure of 50 millions sterling.' And so on *da capo*. I must do this writer the justice to say that he admits he knows nothing of the subject, and is not prepared to suggest, out of the whole 53 millions, a single item which might be made the subject of the reduction. His words are—

> 'To suggest where retrenchment could be enforced, without having access to all the official information, would be ridiculous; but in our own minds we have not the slightest doubt that outlay could be cut down in many quarters.'

"Of course he has not access to *all* the official information, but the amount of official information to which he has access is quite sufficient to satisfy the craving of any ordinary mortal. Honourable Members will, no doubt, be interested to learn that the writer of this critique proceeds in his next sentence to solve in fifteen words the whole of the difficult problem of taxation in India. He says:—

> 'And as for the taxation, we are equally confident that that could be considerably increased.'

"Needless to say, he does not give the slightest suggestion either as to method or as to direction of increase, but he is not the less confident in his conclusions. This is the criticism, it must be remembered, of a *financial* newspaper of high reputation, to which I admit I often turn with profit and advantage. Consistently enough, the whole object of the article from which I have

have been quoting is to urge that any acquaintance with Indian finance is a disqualification for its administration.

"It is positively refreshing to turn from declamation of this sort to the intelligent criticism we receive in India. Although it is sometimes adverse, it at least has some reference to the facts.

"I would remark that there is not the slightest difficulty in carrying out the kind of reduction of expenditure which some of our English critics would have us enforce. I could cut down the expenditure in our revenue departments to-morrow, only the chances are that for every rupee of expenditure I save I shall lose five rupees of revenue. I allowed the other day about six lakhs for increases to our customs establishments. I might have insisted upon the old establishments continuing the work, but I know I would have remonstrances from the merchants who found their business impeded while they danced attendance at the customs houses and waited till their turn came round. Even a payer of revenue may claim some consideration. I could cut down the number of courts of justice, but I know I would meet with remonstrances on behalf of the complainants who, having paid for the luxury of a civil suit, find more than the law's delays interposed between them and their object. I could cut down railway expenditure, and would probably be reminded of my folly by a railway accident within a few months. I could reduce expenditure upon repairs of public buildings, and I would probably find I had run up a heavy charge for depreciations, and had greatly increased subsequent urgent demands. Many of our public offices are still housed in what are little better than hovels; I might have made them wait longer for decent accommodation. I might have reduced the amounts which the Military Department tell me ought to be spent in sanitary measures with reference to our troops; and I would possibly be reminded of the effect of it by the outbreak of one of those illnesses with which in India we are always warring. And so I may go through the list. The question of reducing expenditure in India is not that of putting your pen through the figures presented to you by responsible officers, and I am not prepared to manage the finances of India upon the principles of administration applied by a bull to a china shop.

"After remonstrating against these vague and general charges, I do not wish to pass in silence over the only representation we have received with reference to my recent review of Indian finance which pretends in any measure to go into detail. It is a letter from the Bombay Presidency Association, of which the chairman is a member of this Council, who is unfortunately unable to be in Calcutta for this debate. The letter has been published in the Bombay newspapers.

"Adverting to my statement that our present troubles were due only to the exchange difficulty, the letter says:—

> 'The fountain sources will be found elsewhere than in low silver. They must be easily traced to the appalling growth of military expenditure in all its ramifications during the past eight years; in the increased charges on army services, arms and ammunitions, stores, military roads, special defences, and strategic railways. The large growth again of the charges on account of civil salaries and establishments must be next held responsible. Upper Burma is a third cause which has grievously burdened the general revenues of the Empire. And, lastly, the unjust compensation allowance to the Services.'

"The 'unjust' compensation to the Services I shall deal with separately.

"As regards military expenditure, I think there is some misapprehension of the argument I used on 1st March. The increase of military expenditure I admitted, but I pointed out that it had its origin before 1888. My argument was that that increase had been met by the fiscal steps we had recourse to in 1888, and that the new necessities that arose since 1888 were due to exchange and exchange alone. It did not arise, therefore, in immediate connection with the discussion of our present position.

"The question of military expenditure has been so fully dealt with by my honourable colleague, General Brackenbury, that it would be superfluous for

me to say anything. But the argument of the Association to whose criticism I am replying will be traced in the following paragraph of their letter:—

> 'The annual expenditure on the Army Services has been allowed, under a variety of pretexts, to mount up higher and higher, without any control whatever, not to say aught of the many extraordinary charges incurred on account of the Penjdeh affair, the pacification of Upper Burma, the many uncalled-for and bootless expeditions on the North-West Frontier, and last, though not the least, the special defences, east and west, in pursuance of the so-called policy of "preparedness"—a policy of adventure and external aggression which is calculated to enlarge the already unwieldy boundaries of the Empire and weaken its strength and stability.'

"I am afraid there is an irreconcileable difference of opinion between your Excellency's Government and the Association. If the latter seriously mean to describe the policy of 'preparedness' on the North-Western Frontier, which I admit has cost us very much on frontier railways, frontier roads, and 'special defences,' as a policy of adventure, which has weakened the strength and stability of the Empire, I am afraid that no argument of mine will succeed in meeting the objections they raise to the expenditure involved.

"As regards Upper Burma, the burden of it has distinctly diminished. The expenditure of Upper Burma (excluding military occupation) has all along been about 180 lakhs; its revenue has gradually risen from 76 lakhs to 120. There is certainly, in the burden of Upper Burma, no objection to be taken to my argument that all our difficulties since 1888 have been due to exchange and exchange only.

"I come to the civil expenditure, and here I would remind the Council how I addressed myself to the question on 1st March. I broke up the gross figures into a multitude of details, and then analysed the nature and the cause of the increases; it seems to me that any reasonable discussion of the question must proceed upon these lines. If further explanations are wanted, or if it is desired to pass into greater detail, it can be done; but to abandon the detail altogether, and to go back to the gross figures, and quarrel with them as a total increase, does not in the least advance the discussion. Nor does the peculiar manner in which the Association have manipulated the gross figures in any way promote the explanation of the matter. Following the usual practice, I showed that the increase was so much a year, say, upon any given figure, 10 lakhs a year. The Association's letter pile up the 10 lakhs additional expenditure in each of the eight years they review, and denounce the increase as an increase of 80 lakhs. I can only say that I have attempted to explain the 10 lakhs a year, and I must ask them to believe that the same explanation applies to the total additional expenditure of 80 lakhs in eight years.

"It is a curious commentary upon the letter of the Bombay Association that, while I was considering it, a Calcutta association of exactly the same character (it is called the Bengal Provincial Conference) was holding its meeting. This occurred last Friday, and I quote here two of the resolutions they adopted; they were the only ones which had any reference to State expenditure:—

> '(*a*) That the administration of civil justice in these provinces urgently requires amelioration in respect of (1) court fees and process fees levied upon litigants; (2) the number of judicial officers; (3) the qualifications for civil court amin; (4) the pay and prospects of the subordinate ministerial agency; (5) the encouragement of a resort to arbitration.
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> '(*c*) That the Conference regrets that the Government should, for financial and other reasons, have found it impossible to give effect to some of the most important recommendations of the Police Committee, which have reference to the raising of the pay and the status of sub-inspectors and inspectors of police, and the Conference is of opinion that financial considerations should not be permitted to stand in the way of a much-needed reform, which has such an intimate bearing upon the administration of justice and the happiness of the people. The Conference accordingly recommends that the suggestions of the Police Committee be given effect to in their entirety.'

"On

"On the general subject of economy in financial administration I do not think it is possible to put the question in more appropriate language than has been used to-day by Sir Griffith Evans, and his criticisms, coming as they do from a non-official gentleman who has long been familiar with public affairs, are a valuable support to a Government assailed on the one side by perpetual demands, not altogether avoidable, and on the other by wild criticisms such as I have quoted from the home papers.

"It is very difficult for any one not actually engaged in administrative work to realise how constant and how pressing are the demands for the expenditure of money in India, expenditure which is on all hands admitted to be desirable, but which has continually to be refused for want of funds. The wants of India are so enormous that there is no limit to useful expenditure if we only had the funds for it. Every one is convinced that money is wanted and should be given for the particular object he has in view, and he is often quite right; but it is only those who sit at the centre where all these demands are focussed, who realise both how great the demands are and how constantly endeavour must be made to prevent them from sweeping away all the revenue we have. If economy is to be measured by the number of proposals for expenditure that are rejected on their way to the final sanctioning authority, or that are rejected by that sanctioning authority, the Government of India can assuredly claim a magnificent record.

"It is easy enough to attack big figures, and to say that, because these figures are big, therefore it must be possible to reduce them. But, unfortunately, the big figures are composed of a number of little ones, and, if reductions or economies have in actual practice to be carried out, it is not by mere alterations in the big figures, but by actual measures adopted with respect to the little ones. And in the same way the expenditure is to be defended, not by merely taking up a big figure and making some general statement with respect to it, but by explaining and defending the details which build up the totals. This process of explanation and defence is continually going on, especially in connection with the preparation of the annual estimates. And it is by an examination of these processes—which I admit would be a very tedious business to any one not engaged in it as a matter of duty—that assurance can be given of economical management. I entirely deny that, in a country like India, the mere fact of the total of one year being bigger than that of an earlier year affords the slightest presumption of the absence of economy. Our general answer to criticisms of the kind is that we do not and cannot admit the premiss from which they too often start, that in a rapidly progressing country like India it is possible to go on from year to year without increasing the figures of expenditure.

"In illustration of what I have just stated as to the manner in which proposals for expenditure continually press upon us, it is legitimate to refer to the questions which from time to time have been put at this Council to the members of your Excellency's Government. At our first meeting I think Mr. Buckingham suggested that additional allowances should be given to officers serving in Assam. At a subsequent meeting the Honourable Mr. Chitnavis suggested that additional grants might be given to educational institutions in the Central Provinces. Again, the Maharaja of Ajudhia suggested that the salaries of the provincial services in the North-Western Provinces might be increased. Or take the case of the native gentlemen interested in politics who met at Christmas at Lahore to show us how we ought to govern India. I have carefully read the first dozen of their resolutions, and I find they contain nine distinct proposals, some of them very large ones, for increase of expenditure. That is the contribution of their united wisdom to the solution of the present financial difficulties, and yet it is not the whole of it; the same twelve resolutions contain also four proposals for sweeping reductions of revenue. I, of course, entirely accept the fact that, when India comes to be ruled on Congress principles, you will always be able to create the means to meet additional expenditure by going in for large reduction of revenues, but your Excellency's Government have at present to administer India under sublunary conditions, and therefore, having to meet a large new expenditure on account of exchange, they have been unfortunately obliged to lay before the Legislative Council proposals for increase of revenue, instead of merely saying that they have made up their minds to give up the revenue the Government already possesses. Although our remedial measures are so different in character, I think I am entitled to quote our critics in sup-

port of the view that there are many directions in which the Government might, with advantage to the country, increase the expenditure even above its present limits.

"But here I wish to say a word about one special item of increasing expenditure which comes into our accounts for 1893–94, and which I alluded to in my speech of March 1st, namely, the exchange compensation allowance. I mentioned then in what way it was immediately connected with the general question of the measures taken during the year, with reference to the exchange difficulty, desiring rather to explain why it had come upon us in the hour of our difficulty than trying to justify it upon its own merits. To this last task I wish, as the question has been raised in public, to address myself now.

"I am glad to find that the honourable members of your Excellency's Council have taken a much broader view of the question than has been taken by some of our public critics, especially in the native Press. The remarks that I have to make would not be necessary if the attack on these allowances had been made in the enlightened spirit which distinguishes our critics within this Chamber. But, in view of what has been said outside it, I think it my duty to make use of this occasion to explain pretty fully a policy which, perforce, occupies a somewhat conspicuous position in my Financial Statement.

"It has for a very long time been foreseen by the Government that measures would have to be taken to make up to its European officers some portion of the practical diminution of salary which the fall in exchange has brought upon them. The administration in India must be European in character, and the principal posts in it must be filled by Europeans; that is a mere necessity of the position. The salaries attached to these European appointments are practically the same, measured in rupees, as they were a quarter of a century ago. Lieutenant Governors, Commissioners, judges, and collectors, although their duties are now far more important and far more laborious, draw all over India practically the same rupee salaries as they did when the rupee was worth nearly twice as much as its present value. The same may be said of the military services; the pay of the officers of the army was fixed long ago, when the rupee was over two shillings; it is the same number of rupees now, when the rupee is 1*s.* 2*d.*; but the military part of the question has been amply dealt with by the honourable the military member.

"It is a necessity of European life in India that the European officer must bear a large amount of sterling expenditure. He cannot separate himself from Europe, and, if he could, it is not desirable in the interests of Indian administration that he should. The European portion of the administrative services is, as matters stand, extremely limited, and its European quality must be maintained. Even if you could get officers to quit for ever their connection with Europe, and make India their permanent home, these would not be the kind of men who could rule the India that England has created. You must therefore accept the position that there is a portion of your services whose salaries are, for the purposes of their necessary expenditure, partly at least to be reckoned in sterling, both as regards the conditions with reference to which they were originally fixed, and with regard to the expectations of the officers themselves.

"I do not know that I can express myself on this point better than by using the words employed at a recent public meeting in Calcutta by a gentleman whose opinions on commercial matters always carry great authority:—

> 'We require for our Indian services the very best men that are available, and, unless we pay sufficient salaries to attract such men, we will deservedly suffer for our false economy. It is true that in the interest of the tax-payer we must be guided by the laws of supply and demand. Salaries should be no higher than may be necessary to secure the high standard of character and ability which are indispensable. I will add that I think our public servants are entitled to treatment generous beyond the strict interpretation of their contracts. The man who has been induced to spend many years of his life in India with certain prospects cannot fairly be told that if he does not like the service he can leave it. It is no longer open for him to change his career, and, while we should engage new men on commercial

commercial principles, our old servants are entitled to generous treatment. It will be said that by pressing these sentiments upon Government we will be increasing their embarrassment by suggesting additional expenditure. I care not for this. We must discharge the obligations of a great country, whatever be the difficulty of ways and means.'

"Whether the present measure of exchange compensation is generous or not I shall not discuss. I am afraid that many of the recipients of it think that the permission to remit half their salaries to England at 1*s.* 6*d.* is poor compensation for the loss of the ability to remit the whole of it at 1*s.* 10*d.* or 1*s.* 11*d.* I can only say that the present measure of compensation is certainly all we can afford. It is a question, even, whether the Government were not too tardy in admitting it. It was sanctioned only after Government had found that the services were not only suffering in efficiency by feelings of disappointment and distrust of the future, but that they were actually being obliged, by financial pressure in their domestic concerns, to give up the attempt to maintain that amount of independence of personal position which in India is almost necessary for the exercise of personal influence. It is a serious disadvantage from a merely administrative point of view that the representatives of the Government should appear before the public as living on straitened means, and that was the condition which in many cases had been actually reached.

"The letter of the Bombay Association from which I have already quoted boldly meets the difficulty by asserting that the cost of living in England has decreased. I presume they mean, though they do not say it, that it has decreased *pari passu* with the gold value of the rupee, as otherwise their argument would be irrelevant. They quote statistics to show that the price of a cwt. of wheat has in ten years fallen 30 per cent., the price of a cwt. of bacon 23 per cent., of a gross of buttons 20 per cent., of a dozen pair boots and shoes 26 per cent., and so on. I can only ask the association, which is mostly, if not entirely, composed of native gentlemen, to accept my assurance that these things have very little to do with the cost of living in England, and that ample evidence could be produced, if it were necessary, to show that, even as measured in gold, the general cost and standard of living in England has not diminished of recent years.

"It is not upon us only that this charge for compensation has fallen, or by us only that it has been recognised. The Ceylon Government long ago admitted it to its officers. The Herschell Committee noted that some European employers had felt themselves bound to make to the Europeans in their service an allowance of the kind. My honourable friend Dr. Rashbehary Ghose intimates some scepticism on this point, and says he has not been able to find the cases to which the Herschell Committee referred. Probably he has not looked for them in the right place. The conclusions of the committee were based upon evidence recorded by it, which will be found attached to its report; it is in that evidence that the particular cases referred to are most likely to be found. Again within the last few days I find the following in the editorial columns of the 'Times of India'?—

Railway employés and exchange compensation.

'We are enabled to-day to make an announcement which will be received with great satisfaction by European railway employés in India, and by the public generally as a fair settlement of a fair claim. One of the leading railway companies in India is, with the sanction of Government, about to give orders for the payment of exchange compensation allowances to its European employés. * * * There was never any reason to doubt, after the distinct promises which we quoted the other day from the chairman of two of the leading lines in India, and after the Secretary of State's recognition of the principle involved, that justice would be done to a class of men who are serving the public so well. Private employers have in some instances been more prompt and more bountiful in acknowledging similar claims; but that is a point which need not be pressed, except so far as it may help to shew that the companies and the Government have not been more free with the money of the shareholders and the public than the strict equities of the case warrant them in being.'

"The honourable member to whom I last referred has also attempted to show by reference to colonial comparisons that the salaries of the European Administrative Service are already high enough. I know something about colonies and colonial work, and can easily test the value of this comparison. Take the colony of New Zealand; it contains 600,000 inhabitants, about half the population of an Indian district, and it has a governor on 5,000*l.*, a ministry, two houses of Parliament (of which all the members draw salaries), and any number of heads of departments. Take Tasmania, a colony of 160,000 inhabitants, one-fifth of the population of Calcutta; it has the same paraphernalia of administration, except that its governor's salary is only 3,500*l.* Take Ceylon, with its governor, its legislative council, its secretary and treasurer, attorney-general, chief justice, and justices; if it were made over to India, we would convert it into two districts of the Madras Presidency, and administer it with a couple of collectors, with the usual district staffs. If you compare colonial salaries with Indian salaries, you must remember that the whole business of colonial administration is on a much smaller scale than Indian, and you must make the comparison, not between functions which appear to correspond with each other in name, but between officers who exercise duties of something like comparative responsibility. You pay your Indian Viceroy, if his Excellency will pardon my alluding to a personal matter, a salary of 15,000*l.* or 16,000*l.* for ruling a population of 300 millions and administering a public revenue of, say, 53 millions sterling. I doubt if all the colonies put together would show a much bigger revenue, or in fact if they would show as much, and I am sure that they would show only a small fraction of the population.

"I admit that I am not surprised to see strong objection raised to the allowance on the ground of its differentiating between two classes of officers. I can only say that the difference exists in fact, and I do not see why it is unjust to recognise it in our arrangements. It is easy for those who dwell or who serve Government in their own country, who are exempt from all the hardships imposed upon the European servants of the Government, by the fact of their residence in India, to denounce the compensation given for those hardships. 'They jest at scars who never felt the wound.' Formerly, it was said, and said truly, that the liberal scale of salary paid to the European services was the compensation in question; but, when by the automatic failure of that scale it ceases to be compensatory, I do not see on what principle of justice you can point to the letter of your contract to say that service on the old terms must be continued, when the compensations for it are diminished. I have not furnished myself with statistics on the subject, but I have been long enough acquainted with the work of the financial department to be able to say that there are not many of the departments of Government service, officered by natives of India, which have not during the last quarter of a century had their scales of salary enhanced, and their general position, in a pecuniary sense, improved. Whether it is because the rupee is now less valuable, or because we require a better class of men for our work than before, or whether, as is more likely, both these causes have operated, the fact remains that in nearly every department there has been a gradual increase of the standard of salary.

"I have examined by way of test the Civil List of Bengal for 1867, and compared it with that of 1894, so far as regards the subordinate services. In 1867 I find that deputy magistrates began at the grade of ₹200, one-third of the whole number being in this grade; and they might rise to ₹700. In 1894, the lowest grade is ₹250, and it contains only one-fifth of the whole number, while the highest grade is ₹800. In 1867, in the Subordinate Judicial Service, 188 officers drew ₹150, ₹200, and ₹250, and 26 drew higher salaries of ₹400 and ₹600. In 1894 they begin with ₹250 (excluding a probationary class on ₹200, none of whom have yet two years' standing), and they go on through grades of ₹300, ₹400, ₹600, ₹800, and ₹1,000. The salaries of the Subordinate Educational Service I cannot compare; in 1867 the salaries were too small to be taken cognizance of by the official Civil List, but in 1894 they begin with ₹150 and they rise to ₹500.

"I have not a doubt that if I were to examine the lists of other provinces I would find the same facts; but I quote these merely to show that I am not talking without book. At one of the recent meetings of the Council my honourable friend Sir Antony MacDonnell had occasion to refer to an increase

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of salary given only the other day to the provincial service of the North-Western Provinces. And I have referred to-day to cases in which the very persons who raise objections to the enhancement of rupee salaries of the higher services are urging the claims of the subordinate ones to have their salaries increased.

"It is only when you come to the higher-paid services, the men whose work and whose responsibility have been to the largest degree added to by the changes of a quarter of a century, that you find that the salaries have remained practically stationary during the whole time, until the Government has at last been obliged to extend to them also a share, which seems by statistical comparison to be only a small share, in the increase which has gradually, and by a more imperceptible process, been given to the lower-paid.

"And in fact, in the attacks that have in some quarters been made upon this compensation allowance, we are, to some extent, suffering the consequence of our own tardy recognition of its necessity. Had we interfered at the time when the rupee was worth 18 pence, with a declaration that the loss by exchange, of which many of our officers were even then complaining, would after that point be made up for by some such measure as that adopted in August last, its fairness would possibly not have been impeached. It would have been recognised that we were only providing, in a moderate and equitable way, against the inevitable deterioration of such of our administrative services as are recruited from England, if we permitted the salaries we offered to be stated to the candidates we require at their sterling equivalent. It is because we have so long put off a measure which has been so long pressed upon us, that we lay ourselves open to attack on the ground of our having added, at a single stroke, 63 lakhs to our expenditure. Had we met, as it arose, the demand which we have now admitted, we would have had to pay some 10 lakhs on this account in 1886-87, 22 in 1887-88, 28 in 1888-89, and so on. And, if the demand is just and proper in itself, as I hold it to be, it is not the more open to attack because, being so long postponed, and at length, through stress of circumstances, at last recognised, it has come upon our accounts as a sudden and new item of 63 lakhs.

"I have not a doubt that we shall receive full value for the concessions we have given. India imposes upon her public officers—and especially upon her European officers—a far higher standard of work than is accepted as sufficient in any other country—a standard of work which it would be perfectly impossible to maintain, apart from the conditions in which Europeans live in India. They divide their lives between longer periods of work in India and shorter periods of rest in Europe, and they look forward to retirement from active service, if they live, at a comparatively early age. Unless there was this sharp-drawn distinction between periods of work and periods of rest, you would never find your European officers willing to live in that perpetual atmosphere of work which in this country surrounds them. In short, if you want to get your work done without immensely increasing your present staff, you must accept the condition that the European official must not only live free from the actual discomfort of pecuniary cares, but after such fashion that he may, during his working life, have a margin to put aside for his periods of rest. This I say is the peculiarity of Indian official life, and, if the State wishes to benefit by the acceptance on the part of its officers of a standard of work far in excess of anything required or expected by other governments, it must accept on its part the necessity of maintaining, in the allowances it makes to its officers, something approaching that standard of living with reference to which the salaries were originally fixed, and with reference to which the present high standard of work and of efficiency has been established.

"The concession that has already been granted is a very limited one, but it is all we can afford. The orders restrict it, for the reasons I have explained, to the classes of officers who may be said to represent the European Administration of India. The extent of the concession is, I admit, very much less than that of the personal hardships imposed by the fall of the rupee. No class of cases has given me more pain to deal with than the numerous applications I have received from officers who do not come within the terms of the order. I had little idea of the hardships of family life which many of our officers were suffering, until they had occasion to represent them to the Government in this connection. I have seen, over and over again, cases in which officers of what

we call the Indian services of the Government, filled with the honourable desire to give to their wives and families the benefit of a European residence and education, and occasionally compelled to do so in the interests of their health, have straitened and pinched themselves to meet the ever-increasing demand that their determination had made upon their purses. These and like cases have brought home to me, in a manner with which I was not fully acquainted before, at what sacrifice of personal comfort, at what cost of personal feelings, and with what surrender of all that makes life enjoyable, the service of the Government of India is too often carried on. The compensation allowances have gone some way, as I hope, to remedy these evils, but I cannot conceal from myself that many unremedied hardships still remain behind.

"It is too much to hope that, even after this explanation, the somewhat ungenerous denunciations directed in some quarters against this increase of allowances will altogether cease. But I trust it will at least be seen that the arguments apply with equal force against the increases which I have described as taking place throughout the ranks of the services ordinarily filled, and honourably filled, by natives of India. You cannot reasonably expect to get the work of the present day done, either by natives or by Europeans, upon the salaries you offered 25 years ago; nor can I imagine anything more unjust, when you are obliged to raise the standard of your salaries, than to declare that the higher allowances are to apply only to new men; but that the officers who have served you for 10 or 20 years, being now helplessly bound to your service, must be content to continue on the old scale. You have long given up the attempt to continue the old standard of salary in the case of the Native services with results entirely beneficial to the administration; I do not see why you should call it anything but bare justice, when at length you are obliged to give it up also in the case of the higher paid European services."

His Excellency the President said: "The time has now come when the discussion on the Budget Statement of the year must, so far as this Council is concerned, come to a close. It has on this occasion, I think, been broken up into two parts, for the introduction of the Tariff Bill forestalled, and I think necessarily forestalled, much that would otherwise have been appropriate to the proceedings of to-day. On the whole I do not think that the Government of India have any reason to be dissatisfied with the prolongation of the criticism to which they have been subjected.

"It has been acknowledged on all hands that our embarrassments have been serious, but financial embarrassments may proceed from various causes. I do not think that on this occasion there has been any disposition to think that our embarrassments have arisen from causes under our control. Criticisms there no doubt are—what system of administration of human affairs could expect to escape them?—of different branches of our policy, but I think it is admitted on the one hand that in regard to expenditure we have been, and are, exerting ourselves to keep our expenses within bounds. We are doing so subject, of course, to the stipulation that we must maintain in complete efficiency that system of Government which has been built up in India, on which our position in India depends, and which it is our duty to India to conserve. I quite agree with the views expressed by my honourable friend Sir Griffith Evans when he pointed out that the development of an Empire necessarily lays upon us fresh duties, and that fresh duties must often mean fresh or increased expenditure; but I think that General Brackenbury, in the statement which he has made with regard to military expenditure, has shown that the Government of India are willing to submit the details of their expenditure to the Council, and also, so far as is possible, to keep these increased demands within the limits of the funds which are at their disposal. On the other hand, without entering into any matters of controversy, I think that the general lines of the fiscal policy which was adopted last summer have been recognised as having been forced upon the Government of India, and as having been the best that circumstances permitted. The Secretary of State has announced in the most emphatic terms that the Mints will remain closed, and that announcement has, I believe, met with pretty general approval in this country.

"This, then, being the position, I think that the principle on which it was necessary to frame the Budget now before the Council becomes pretty clear. Some

Some objection has been taken to its being a transitional Budget; but what else was open to us? A great operation like that of last summer cannot be carried out in a day, though people talk sometimes as if it could be done by the stroke of a pen. Circumstances have tended to prolong somewhat the period of transition—circumstances, as I have said, beyond our control, and which depend to a large extent on the general conditions of trade, and also on schemes of legislation in other countries. I do not think, therefore, that the Government would have been justified in treating the position as one with the characteristics of permanency, or as one to be met at all events in full by permanent measures.

"Like other members of the Council, I do not propose to renew the argument of the question whether in the import-duties, now re-imposed, the duties on cotton ought to have been included. The view taken by the Government of India has been expressed by the Financial Member, and will appear from the papers that will be laid before Parliament. All that I would say is that no object is advanced by undervaluing the strength of the opposition to it. For my part, I have no doubt whatever that Her Majesty's Government have considered this subject with the earnest wish to serve the true interests of India. They have thought it their duty not to consent to a duty on cotton goods at this moment, looking, as they are bound to do, to all the interests of the Empire of which India is a part. But they have told us that they will be ready, if necessary, to reconsider this question in the future. I venture to think that it is a mistake to suppose that no advance has been made. I believe that a body of opinion has been created, not only here but in England, which may very materially affect the decision to be arrived at in the future. In the discussion of this question I would urge that it is quite possible to lose nothing of the strength and determination to do what my honourable friend Sir Griffith Evans described as bringing pressure upon the Secretary of State, while looking matters fully in the face, and recognising that in practical politics we sometimes have to take into account opinions with which we do not agree, and to calculate with all calmness what the attainable balance may be. In this connection I was glad to hear the remarks of the honourable Mr. Fazulbhai Vishram. I am not to be taken as indicating any view of the manner in which an arrangement may be arrived at, but as an illustration of the spirit of fairness which I should like to see used. I was glad to hear him, as a mill-owner, say that he was willing to consider the imposition of an excise duty.

"I should like to add that I have a great sympathy with the dislike expressed by so many members to its having been necessary to utilise for the purposes of the year sums which otherwise might have been available for the famine grant, and also the funds of local governments.

"I confess, I think, there is some confusion of thought in reference to the position of the famine grant. I do not understand how it can be supposed possible for a Government to bind its successors in all time coming to spend its revenues in a certain manner, whatever their judgment of the respective claims upon them may be at the time; and, as a matter of fact, from the quotations which have been read, it does not appear that the Government of that day wished to do so. His Honour the Lieutenant Governor has given us some very interesting information showing the good purpose to which this grant has been put, and the extent to which the objects proposed by those who established the grant has been met.

"The honourable Sir Griffith Evans spoke of a statement by Lord Northbrook, and described this grant as a percentage for repairs; but I think he will admit that a percentage for repairs is less on a well-constructed building. At the same time, for my part, I should be very sorry to take up the position that we had done our work in the construction of the class of works of this character. The honourable Mr. Playfair has drawn an unfavourable comparison between India and America in the provision of railways. I do not know that the comparison would be complete without a consideration of the circumstances of the two countries, and especially, as the honourable Mr. Westland has pointed out, of the extent to which private enterprise has influenced the matter. It would be highly desirable were we to see private enterprise giving more assistance to us in this country; but, as the case stands, I maintain that the Government has been right to regard the withdrawal of the famine grant and the contributions from local governments as temporary parts of their Budget.

At the same time, I quite see that, in looking upon these parts of our Budget as temporary, we may, perhaps, be increasing our difficulties in the future. That is a disadvantage which we shall have to face when the time comes. It is a part of the position which it will be our duty to call the special attention of Her Majesty's Government to, if, or when, the time comes for us to ask for the reconsideration of our taxation which they have promised. In the meantime we must do our best with the means at our disposal."

The Council adjourned to Thursday, the 29th March 1894.

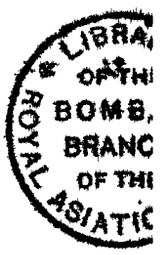
S. Harvey James,
Secretary to the Government of India,
Legislative Department.

Calcutta,
2nd April 1894.

RETURN.

1895.

EAST INDIA
(FINANCIAL STATEMENT).



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283.

GOVERNMENT OF INDIA.—FINANCE AND COMMERCE DEPARTMENT.

FINANCIAL STATEMENT FOR 1895-96.

CONTENTS.

PART I.

GENERAL REVIEW.

	PARA.	PAGE.
Preliminary	1	5
Accounts, 1893-94	4	5
Rate of Exchange	7	6
Revised Estimate, 1894-95	13	7
Import Duties	30	10
Budget Estimate, 1895-96	36	13
Questions relating to Bengal Opium	53	16
Conversion of the Rupee Debt	59	17
Capital Outlay	75	20
Debt and Remittance	78	20
Conclusion	83	22

PART II.

DETAILS OF ACCOUNTS AND ESTIMATES.

	PARA.	PAGE.
I. Accounts of 1893-94	84	22
II. Revised Estimate of 1894-95	92	24
III. Budget Estimate of 1895-96	123	32
IV. Examination of the Estimates under the more important heads of Revenue and Expenditure—		
Land Revenue	162	40
Opium	163	41
Salt	168	43
Stamps	169	43
Excise	170	44
Provincial Rates	171	44
Customs	172	45
Assessed Taxes	173	46
Forest	174	46
Interest	176	47
Post Office, Telegraph, and Mint	180	48
Civil Departments	183	49
Miscellaneous Civil Charges	184	49
Famine Relief and Insurance	185	50
Railway Revenue Account	187	51
Irrigation	188	52
Buildings and Roads	194	54
Army Services	196	55
Special Defence Works	202	56

	PARA.	PAGE
V. Capital Expenditure on Public Works not charged against Revenue	205	57
48. State Railways, Construction	207	58
49. Irrigation	210	59
VI. Conversion of Four per Cent. Rupee Debt	211	60
VII. Provincial Finance	224	64
VIII. Ways and Means—		
Home Treasury	228	65
India	238	68
IX. Summary	247	71

APPENDIX I.

ACCOUNTS AND ESTIMATES:

	PAGE.
General Statement of the Accounts and Estimates of the Revenue and Expenditure and Receipts and Disbursements of the Government of India, in India and in England	74
A.—Statement of the Revenue of India, in India and in England	76
B.—*Statement of the Expenditure chargeable on the Revenues of India*, in India and in England	78
C.—Statement of Receipts and Disbursements of the Government of India, in India and in England	82
D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Contracts	84
E.—Statement of Net Revenue and Expenditure—India and England:	
Old Form	86
New Form	88
F.—Statement of Net Revenue and Expenditure of the Government of India, in India and in England, for the 10 years from 1883–84 to 1892–93 (new form)	90

APPENDIX II.

Commercial and Financial Statistics	94
Guaranteed Railway Companies: Financial Results	101
Capital Expenditure on State Railways	102
Capital Expenditure on Irrigation Works	104
Receipts and Working Expenses of Railways	106
Receipts and Working Expenses of Irrigation Works	108
Capital Account of Guaranteed and Subsidized Railways	110

PROCEEDINGS OF COUNCIL, 28 MARCH 1895.

Discussion of the Financial Statement	111
Net Revenue and Expenditure (in sterling), 1883-84 to 1894-95	158

FINANCIAL STATEMENT FOR 1895-96.

PART I.

GENERAL REVIEW.

PRELIMINARY.

1. THE Financial Statement for 1895-96 is, according to the now established practice, presented in two parts, viz., Part II., which goes through the subject in regular order and in detail, and Part I., which presents the same facts in a more general shape, and may be taken as my review of them. I do not consider myself tied down in this review to any particular order of statement, but hope by its means to give a general idea of the subject, leaving those who wish for greater details to refer to the second part. I have to give an account of a period of exceptional activity and anxiety in matters financial, and I shall do so the more clearly if I draw attention rather to the salient features of the year's history than to the mere arithmetic of the estimates.

2. The tabular statements A. and B., of revenue and expenditure, are prepared in the usual form (*vide* Appendix); but in the difference columns, in which the increase and decrease under each head of Revenue or Expenditure are stated, I have excluded that part of the difference which arises solely out of the change of the rate at which the English revenue or expenditure is brought to account. It would be useless to be perpetually explaining that out of a stated difference under some particular head of (say) Rx. 100,000, Rx. 90,000 is due to difference in the exchange column, and only Rx. 10,000 was the real difference of revenue or expenditure which requires to be noticed as such.

3. I wish to draw attention to the new form we have given to Statement E., the Statement of Net Revenue and Expenditure. This form follows, but is not in such great detail as, a "Return of the Net Income and Expenditure of British India" prepared by the Right Honourable Mr. Fowler for the House of Commons in July last. The arrangement of the heads is a suggestive one, and for that reason we have, in a separate abstract, Form F., given the figures for the ten years preceding 1893-94, taking them for the most part from the Parliamentary Return referred to.

ACCOUNTS OF 1893-94.

4. The Revised Estimate for 1893-94, which I presented last year, worked out to a deficit of Rx. 1,792,800; the actual result, in making up the accounts, is a deficit of Rx. 1,546,998, being Rx. 245,802 better than the estimate. It must be borne in mind, in comparing this with subsequent years, that the accounts of 1893-94 included a charge for Rx. 1,060,954 for Railway construction under the Famine Insurance Grant, and that without this charge the deficit would stand at Rx. 486,044 only.

5. Of this difference Rx. 89,182 is due to revenue received on Imperial account in India, which was Rx. 66,748,382, against an Estimate of Rx. 66,659,200., Rx. 105,358 was due to Imperial expenditure in India, which was Rx. 42,502,442, against an Estimate of Rx. 42,607,800. Rx. 51,262 arose on the English account, including Exchange.

6. There are no differences between Revised Estimate and final outturn which are large enough to require separate statement. The Revised Estimate was made up at the exchange of 14·6 pence; the actual exchange realised upon the drawings and passing into the accounts was 14·5466 pence.

Rate of Exchange.

7. Before taking up the figures of the Revised Estimates of 1894-95, and the Budget Estimates of 1895-96, I desire to make a few remarks upon the subject of the rate of exchange at which they are made up.

8. The Secretary of State in March last announced his intention of drawing for 17,000,000 *l.* sterling, and we made up our estimates in the then precarious state of the Exchange market at 14 pence, but the actual rate had already fallen a little below that. During the month of April the rate maintained itself, slightly falling, a little over 13$\frac{1}{2}$*d.*, but in May it rapidly fell below 13*d.*, being quoted on 18th May at 12$\frac{11}{32}$*d.* The effect of these low rates, or rather of the high rupee price of gold which accompanied them, was to bring into the market a quantity of gold for shipment to Europe, and a slight recovery took place in June, the Secretary of State's drawings during that month being all at about 13*d.* Again there was a falling-off in July, followed by a sharp recovery, which lasted through August: the last drawing of August and the first one of September were at 13$\frac{13}{16}$*d.* and 13$\frac{25}{32}$*d.* respectively. The rate then rapidly fell, and from the latter part of September till the end of November it stood between 13$\frac{3}{8}$*d.* and 13$\frac{1}{8}$*d.*

9. We were many of us hoping to see a revival when the cold-weather export season set in, but the extraordinarily low prices of cotton and of wheat in the European markets stood grievously in the way of activity in the export trade, and rates continued to fall till the middle of January; the drawing of 16th January was mostly at the rate of 12$\frac{1}{2}$*d.* Since that date the rates have gradually recovered, and for two or three weeks now they have stood just under 13*d.*

10. The following monthly figures are of interest in this connection :—

	Drawings of Secretary of State.			In Lakhs of Rupees.		
	Pounds Sterling. 000 omitted.	Lakhs of Rupees.	Average Rate.	Net Exports of Gold.	Net Imports of Silver.	Net Council Bills and Treasure.
1894.						
January	98	16·4	14·408	1·4	166·0	181·0
February	1,023	178·0	13·786	18·1	124·4	284·3
March	1,915	331·2	13·870	32·0	98·6	397·8
April	1,368	241·0	13·625	19·5	43·8	265·3
May	2,251	416·1	12·979	52·1	30·5	394·5
June	1,490	274·6	13·024	120·3	29·2	183·5
July	1,086	201·6	12·927	56·6	91·3	236·3
August	1,665	300·5	13·301	52·5	69·2	317·2
September	894	159·0	13·492	31·0	73·6	201·6
October	1,381	248·6	13·329	—·6	19·9	269·1
November	962	174·5	13·232	24·4	28·9	179·0
December	1,203	223·2	12·937	42·5	52 8	233·5
1895.						
January	1,196	226·6	12·672	49·7	67·8	244·7
February	1,611	300·2	12·883	42·9	55·5	312·8

11. This export of gold is entirely a new feature. There was a slight export, viz., 3$\frac{1}{4}$ lakhs worth in January and February 1893, but the remaining ten months of 1893 showed a total import of 124$\frac{3}{4}$ lakhs worth. The tide turned, it will be seen, exactly when the low exchange set in.

The

The drawings for the current year we estimate as follows :—

	£.	Rs.
Actual up to 2nd March - - - - -	15,178,900	27,79,10,000
Estimated additional - - - - - -	1,821,100	3,38,80,000
TOTAL - - -	17,000,000	31,17,90,000

giving a rate of about 13·09 pence for the whole year, or say 18⅓ rupees. This rate, 13·09 pence, or 18⅓ rupees to the pound, is that at which we make up the Revised Estimate for the current year; and, avoiding all speculations as to the future, we adopt the same rate in our Budget Estimates for 1895-96.

REVISED ESTIMATES OF 1894-95.

13. The Budget Estimates of the year 1894-95, when presented last March, showed, at fourteen pence exchange, a probable deficit of Rx. 301,900; had they been made up at the exchange 13·09 pence, which is all that is likely to be realised, they would, taking into account only that part of the difference which is due to the expenditure in the English account, have shown a deficit of Rx. 2,165,800. I am pleased to be able to say that the circumstances of the year have been so favourable, that we have not only made up this huge deficit, but are likely to close the account with a surplus estimated at present at Rx. 990,500, a better result apart from exchange by Rx. 3,156,300.

14. The first item in this great improvement is the Opium account, which gives us, under three heads, the following results :—

	Rx.
(i) Better revenue in Bengal, mostly due to enhanced prices obtained at the Calcutta sales - - -	796,800
(ii) Better revenue in Bombay, *i.e.*, larger exportations and higher pass fees - - - - - - -	134,600
(iii) Short expenditure in Bengal, mostly due to short payments to cultivators, owing to failure of crop -	610,000
TOTAL Improvement on above accounts - - Rx.	1,541,400

I do not congratulate myself upon the result shown under the third of these heads; I would much rather have paid the amount and had the opium. I shall presently deal with the question separately. Meantime I pass it over, with the remark that, though it brings about an improvement in the financial results of the year 1894-95, it is an improvement which has to be paid for in future years. It is, in some respects, not unlike the improvement which we might easily effect, for example, in our Military charges, by the process of avoiding for a year the complete replenishment of our stores.

15. The other two items, however, aggregating Rx. 931,400, are a real improvement of revenue, except in as far as the high prices out of which they arise may encourage the consumers of Indian opium to have recourse to competing kinds. The price we estimated to realise in March last was only Rs. 1,070 per chest, but the prices obtained increased the moment the failure of the crop became known. In June to September we got about Rs. 1,307 on the average, and the price then rose gradually to Rs. 1,540 at February's sale. This price was, so far as we can make out, an unstable one, due to certain speculative operations in the China Market. The speculation gave way, and the price collapsed to Rs. 1,327 at the sale of March.

16. The next leading cause of the improvement is in the unexpected productiveness of the new Customs duties, and the addition made to them, at the end of the year, of the Cotton duties. The total improvement under Customs Revenue is Rx. 930,100, while the expenditure account shows that we made ample provision for the increase required on account of establishment charges.

It will be more convenient if I deal in a separate section with the subject of the Customs duties.

17. The third large contribution to the improvement in the results of 1894-95 is the account of Railway earnings, an improvement which may almost be called normal; for our Budget Estimates do not assume the progress that results from a fairly prosperous year, and, accordingly, if India enjoys what is on the whole a prosperous year, we may ordinarily expect the Railway returns to give us a considerable advance of revenue above what we have assumed in our Budget.

18. The items entering into this part of the estimates are as follow:—

	Budget.	Revised.	Better.	Worse.
	Rx.	Rx.	Rx.	Rx.
State Railways—Gross Receipts -	16,939,900	18,134,400	1,194,500*	—
State Railways—Working Expenses -	8,401,800	8,813,000	- -	411,200
Net Improvement - - - Rx.	8,538,100	9,321,400	783,300	—

* Includes 100 for exchange.

Of this net improvement of Rx. 783,300, Rx. 25,700 belongs to the Provincial share (in which a considerable deficiency in Burma balances a considerable increase in Bengal), and Rx. 757,600 goes to improve the Imperial surplus.

19. We have unfortunately to set against this gain on State Railways a falling-off, to the extent of Rx. 406,500, on the Guaranteed Railways, which occurs almost entirely in the Great Indian Peninsula Railway, and is, practically, due to the failure of crops in part of the Central Provinces.

20. Only one other head need be specially noticed as contributing to the improvement in the results of 1894-95, namely, the Excise Revenue. This revenue is in its nature a progressive one, and has brought in this year Rx. 195,500 in addition to the Budget Estimates. The greater part of this improvement, Rx. 150,200, accrues to the Imperial account.

21. Against these improvements we have to set only one considerable deterioration, if such a term can fairly be applied to it. It is in the expenditure on account of interest on debt paid in India, the comparison here being as follows:—

	Budget.	Revised.
India Imperial.	Rx.	Rx.
Interest - - - - - - - - -	—615,500	—333,300
State Railway Interest - - - - -	3,264,500	3,286,500
Irrigation - - - - - - - - -	653,900	654,000
Total - - - Rx.	3,302,900	3,607,200
Increase - - - Rx.	- - -	304,300

Nearly the whole of this increase is due to the anticipation interest and brokerage paid in respect of the conversion of the 4 per cent. debt. The net amount paid on this account (including Rx. 20,400 which returns to us as Currency Department receipts) we reckon at about Rx. 301,000. The greater part of this is interest that would otherwise have fallen due to be paid in 1895-96.

22. It

22. It will be observed from the manner in which I have stated these figures, that the rule by which we transfer a portion of our interest charges in India from the general head of interest on debt to be charged against State Railways and Irrigation Works, has brought about the anomalous result that the general head shows a minus figure. This is due to the fact that the amount of capital expenditure on these works is actually larger than the total amount of Public Debt outstanding in India, the expenditure in question having really been met, to a considerable extent, out of sterling loans, borne on our English Account. The minus entry is, therefore, the amount of the set-off against sterling interest on debt, which arises from our charging Railways with a larger amount of rupee interest than we actually pay. The result, taking the three heads together as I have above done, is quite correct, but it has obviously become an inconvenient way of stating facts, and we shall have to reconsider it.

23. The causes I have enumerated account for the following net improvement in the Revised Estimates: —

	Better.	Worse.
	Rx.	Rx.
Opium	1,541,400	—
Customs Revenue	930,100	—
State Railways	757,500	—
Guaranteed Railways	—	406,500
Excise	150,200	—
Interest	—	304,300
	3,379,200	710,800
Net	2,668,400	—

out of Rx. 3,156,300 to be accounted for.

24. The Revenue heads generally, other than those I have mentioned, almost all show slight differences to the good. The leading exception is the Land Revenue, where the receipts are Rx. 194,900 less than estimated. This is due entirely to the necessity of suspending collections in some parts of the North-Western Provinces, the Central Provinces, and Bombay. There has been no distress in any of these places, except, perhaps, in a limited area in the Central Provinces, and it will be found that the revenue which is postponed this year re-appears in next year's estimates. The figures in fact somewhat exaggerate the facts, for, as I have had more than one occasion to point out, the financial year closes on March 31st in the middle of the busiest collecting season. Five to six crores of Land Revenue come in in the month of March, and an equal amount in the three months April to June; the postponement of half a crore of collections from March to a slightly later date, though administratively a small matter, means a difference of a crore between the finance accounts of the two years.

25. The expenditure heads also have almost all been kept well within Budget limits. Under Civil Departments we charge in India Rx. 13,907,300, against the Budget Estimate of Rx. 14,079,200—a saving of Rx. 171,900. It is under this head that the principal portion of the exchange compensation charges in the Civil Department come; they were estimated at Rx. 365,800, but by the fall of the rate of exchange the amount actually paid comes to Rx. 402,200. The saving, therefore, apart from exchange compensation, is Rx. 208,300. There have been savings under practically every head, excepting that of General Administration, where the expenditure is Rx. 1,581,000, against an estimate of Rx. 1,546,000.

About two-thirds of the total, and a rather smaller proportion of the total savings, under this head are provincial.

26. The Finance Minister, after enumerating the causes which have contributed to producing in the Revised Estimates a better result than the Budget Estimates, has usually to wind up by deploring a mournful set-off in the excess of Military Expenditure. I am glad to say that this year I am exempted from this fate. The figures of the estimates are—

	Budget.	Revised.	Better.
Net Expenditure in England - - -	£4,394,400	4,305,600	88,800
Net Expenditure in India - - - -	Rx. 15,416,700	15,246,100	170,600

27. There are large savings in the Commissariat grant, amounting to Rx. 504,800, of which Rx. 375,000 are due to the prevalence throughout the year of low prices for articles of food. These and other savings have been enough, and more than enough, to meet the following excess charges:—

	Rx.
(1) Exchange compensation allowance - - -	52,800
(2) Enhancement of British soldiers' pay, due to fall of exchange - - - - - - - -	357,800
(3) Excess over established strength of the British Army - - - - - - - - -	35,000
(4) The Waziri expedition and connected Delimitation charges - - - - - - - - -	202,500
TOTAL - -	648,100

28. There are of course numerous other differences, but these are the leading ones. We embarked last year on a policy of strict economy in this great head of expenditure. That policy has been steadily pursued throughout the year, with the hearty co-operation of the high military authorities, from the Commander-in-Chief downwards; and, though there has been at least the usual progress in military efficiency, the Military Department are able to show that their expenditure, including all the special expenses arising during the year—and they are, as just shown, no small ones—has been kept well within Budget limits.

29. I may state that the Waziri Expedition is estimated to cost Rx. 285,000, but Rx. 90,000 come into the year 1895–96.

IMPORT DUTIES.

30. I have done with Revised Estimates, and, before passing on to the Budget Estimates for 1895–96, this will be the most convenient place for a review, in its financial aspect, of the Customs legislation of 1894.

31. It will be remembered that the Government of India in March of last year, when finding itself face to face with a heavy anticipated deficit in its estimates, introduced in the Council a measure for the revival of the General Customs Duties which had been abolished in 1882. This measure came into force on March 10th, 1894, twenty-two days before the end of the financial year 1893–94; and I find that it added to the revenue of that year the following net amounts:—

	Rx.
Drugs, Medicines, &c. - - - - -	3,495*
Articles of Food and Drink - - - - -	18,871
Silver Bullion and Coin - - - - -	3,697
Other Metals (including Manufactures) - - -	36,105
Other Manufactures and Raw Materials - - -	30,987
TOTAL - -	93,155

* A small amount of this comes under the old Tariff as Spirits.

besides

besides a certain amount under Oils, due to the enhanced taxation of Petroleum and the like.

32. We estimated in last year's Financial Statement that these duties would add, after allowing Rx. 70,000 for refunds, a net sum of Rx. 1,350,000 to our annual revenue, but we took only Rx. 1,200,000 into the estimates of the first year, 1894-95, of their operation. Our estimates were based on the figures of the import trade of 1892-93, which were unusually low; and our reduction of about 10 per cent. for the first year's operations appears to have been quite unnecessary. The import trade has been fairly active during the current year, and the amount that the duties are now estimated to have actually produced is Rx. 1,733,000, which is classified as follows:—

	Annual Amount Estimated Last Year.	Estimated Produce in 1894-95.
	Rx.	Rx.
Articles of Food and Drink	278,000	296,000
Drugs, Medicines, etc.	70,000	94,000
Silver Bullion and Coin	100,000	355,000
Other Metals and Manufactures of Metals	238,000	208,000
Manufactured Articles	446,000	504,000
Raw Materials and Unmanufactured Articles	74,000	121,000
Oils, including additional duty on Petroleum	214,000	155,000
TOTAL	1,420,000	1,733,000
Add the duties under the old Tariff—		
	Rx.	
Arms and Ammunition	35,000	
Duty on Petroleum	155,000	
Liquors	621,000	811,000
TOTAL OF BOTH		2,544,000
Deduct Refunds		57,300
NET		2,486,700

These figures show that the greatest part of the increase occurs under the head of imports of silver. We had no means of judging to what extent silver would be imported after the Mints were closed and the due course of remittance resumed, and we made a very moderate estimate. As shown in paragraph 10 above, the imports have continued on a very high scale. The silver, so far as we can trace it, gets absorbed among the population generally, though a small amount has gone to Native Mints; and Delhi appears to be the principal centre of dispersal. The fact that the import of silver has been so largely counterbalanced by an export of gold would seem to indicate that gold hoards in this country are being exchanged for silver; but, after all, the import, though it amounts to seven crores of rupees in value, only comes to 60 or 70 grains for every inhabitant of India.

33. The continuance of the low state of exchange rendered it abundantly evident in November and December that we would still have a considerable deficit to face in 1895-96, and that the hopes, which had warranted our exempting cotton goods from the General Tariff of March, were destined to disappointment. With the sanction, therefore, of Her Majesty's Government,

Bills were introduced on the 17th December for the amendment of the Tariff, mainly by including cotton yarns and piece-goods in it, and for the levying of a countervailing excise duty on certain classes of goods manufactured in this country. These duties came into force on December 27th, and we estimate that they will add to our revenue in 1894-95—

	Rx.
Sea Customs - - - - - - - -	354,100
Excise Duties - - - - - - -	12,500
TOTAL - - -	366,600
Deduct Refunds - - -	7,500
NET - - -	359,100

34. The estimate of Customs Duties—Imports—for 1895-96 stands as follows :—

	Revised Estimate 1894-95.	Budget Estimate 1895-96.
	Rx.	Rx.
1. Arms, Ammunition, and Military Stores	35,000	33,000
2. Liquors—		
Spirits - - - - - - -	560,000	543,000
Other sorts - - - - - -	61,000	59,000
3. Articles of Food and Drink - - -	296,000	292,000
4. Chemicals, Drugs, Medicines, and Dyeing and Tanning Materials - - -	94,000	91,000
5. Metals and Manufactures of Metals—		
(*a*) Silver Bullion and Coin - -	355,000	250,000
(*b*) Other Metals and Manufactures of Metals - - - - - -	208,000	206,000
6. Oils - - - - - - - - -	310,000	369,000
7. Manufactured Articles - - - -	504,000	511,500
8. Raw Materials and Unmanufactured Articles - - - - - - -	121,000	118,000
9. Cotton Goods—		
(*a*) Sea Customs - - - - -	354,100	1,440,000
(*b*) Excise Duties - - - - -	12,500	75,000
TOTAL IMPORT AND COTTON DUTIES - -	2,910,600	3,987,500
Deduct Refunds - -	64,800	118,100
NET - -	2,845,800	3,869,400

35. The effect of the Customs legislation is therefore to raise the standard of revenue from Rx. 786,500 (Rx. 811,000 *minus* Rx. 24,500 on account of refunds), the produce in 1894-95 of the old Tariff duties, to Rx. 2,845,800, the produce in the same year of the new Tariff, and to Rx. 3,869,400, the full estimate of a year's produce made in the Budget Estimates of 1895-96. The total increase comes to Rx. 3,082,900.

BUDGET ESTIMATES, 1895-96.

36. The Budget Estimates of 1895-96 have to be made up, as already stated, at the exchange of 13·09*d.*, and, comparing our prospects in a general way with the Budget Estimates of 1894-95, the main differences foreseen before entering into details are these—

(1.) We have to provide for the worse exchange on English expenditure, which, on 15,850,000*l.*, comes to Rx. 1,887,000.

(2.) We have to provide for exchange compensation on a higher scale; this year our payments were, in the Budget Estimate, based on an exchange rate of 14 pence, and were estimated, all departments included, to cost Rx. 1,113,300, which, however, was probably, at that rate, an over-estimate. In 1895-96 the lower rate of exchange enhances the probable payments to Rx. 1,456,500, and, of this excess, Rx. 236,800 is on Imperial Account.

(3.) Another item due to the same cause is the enhanced rate of payment to British soldiers; for, the British soldier being entitled to a sterling rate of pay, we have to estimate the charge on this account at Rx. 379,900 more than it was taken in last year's estimates.

The fall of exchange, therefore, under these three heads adds Rx. 2,503,700 to the charges of 1895-96, as compared with those included in our last year's estimates.

37. We have also this year to do without the temporary relief we obtained (1) by levying contributions of Rx. 405,000 from the Provincial Governments; (2) by reducing the scale of military works and of civil works to the lowest possible figure. During 1894-95 we have been practically carrying on without any new works, so far as the Imperial account was concerned, and we must this year provide about Rx. 150,000 under the former and Rx. 130,000 under the latter, which last year we cut out. These three items add Rx. 685,000 to the burdens of the coming year.

38. There is a further annual burden which we have, for reasons which I shall afterwards explain, been obliged to undertake, in raising from five rupees to six rupees the payment we make to cultivators under the opium agencies, for crude opium delivered. This may be put down as adding in an ordinary year about Rx. 360,000 to our expenditure; to which we may add another Rx. 100,000 for the necessity of supplementing our operations by purchases in Malwa.

39. Against all these measures we have one item of saving. The operation of the debt conversion reduces our charges by Rx. 524,800, including about Rx. 102,800 on account of debt outstanding unconverted, and therefore either discharged or awaiting discharge, but at any rate not bearing interest. Our balances are large enough to enable us to repay this debt without, at present at least, raising new debt in its place.

40. We approach, therefore, our budget estimates with the following burdens added to those which in last year's estimates resulted in a deficit of Rx. 301,900:—

	Rx.
Charges dependent on exchange - - - -	2,503,700
Cessation of special reductions of expenditure - -	685,000
Additional opium payments - - - - -	460,000
Total - -	3,648,700
Deduct saving in interest - - - - -	524,800
Net - -	3,123,900

41. It was this prospect which, as I have already explained in dealing with the revised estimates, induced us to apply to the Legislature in December last for permission to add duties on cotton goods to our import tariff. Although aware that the customs duties had been more productive than we estimated in

in March 1894, it was evident that we had still a very large margin between expenditure and revenue to fill up. I have just shown that these cotton duties add Rx. 1,215,000 (or Rx. 1,455,000 if we allow for refunds) to the resources which were available to us at the time of our last budget estimates, and to this we may add Rx. 427,900 by reason of the higher estimate we consider ourselves warranted in now making of the productiveness of the other import duties.

42. This general forecast of the estimates for 1895–96 stands thus :—

	Rx.	Rx.
Deficit of 1894-95 - - - - - -	301,900	—
Further burdens—net - - - - -	3,123,900	3,425,800
Less, cotton duties and other improvements in customs revenue - - - - -	- -	1,882,900
Result, a deficiency of - - - - -	- -	1,542,900

The question is whether the general advance of our railway and other revenues avail to make up this deficiency, and whether our estimates of expenditure under heads other than those above referred to show a diminution in the burden to be borne.

43. A reference to the detailed estimates will show that these causes have operated to cover the whole of this deficiency, and that we anticipate on the whole account, after meeting certain special charges, a surplus of Rx. 46,200. This surplus, like that of the revised estimates, is the surplus *before* the consideration of the famine assurance grant for railway construction, and of course is too small to permit of our making any such grant out of revenue.

44. Taking first of all the railway earnings, the following figures show that we can anticipate for 1895–96 a better return by Rx. 816,300 than the budget of 1894–95 contained : —

	Accounts, 1893–94.	Revised, 1894–95.	Budget, 1895–96.
State Railways :	Rx.	Rx.	Rx.
Gross earnings - - - - - - -	16,879,107	18,134,400	18,001,900
Working expenses - - - - - -	8,263,975	8,813,000	8,697,000
Net - - - - - -	8,615,132	9,321,400	9,304,900
Guaranteed Railways :			
Net earnings - - - - - - -	3,383,812	3,039,000	3,495,000
TOTAL - - -	11,998,944	12,360,400	12,799,900

45. Under land revenue we estimate for Rx. 666,000 more than in the budget of 1894–95. The greater part of this is, as I have already explained (paragraph 24), revenue postponed from 1894–95. The estimate, in fact, covers more than one year's land revenue, though, as progress in settlement is fairly active all over India, it is quite possible that a year or two will suffice to enhance the standard to an equality with the figure now taken.

46. Under opium we estimate for Rx. 467,000 more than we took 12 months ago ; the estimate of last year was admittedly a very low one, based on low prices and somewhat scanty sales. We have still the scanty sales, but we consider ourselves justified in taking Rs. 1,300 as the probable price.

47. Stamps and excise give us what may be called normal increases, aggregating Rx. 303,100 ; and the other heads on the revenue side mostly promise better results than last year, except that there is a serious falling-off in the irrigation estimates of the North-West Provinces.

48. The

48. The items I have mentioned make up an improvement of Rx. 1,849,900 on the Imperial account:—

		Imperial share.
	Rx.	Rx.
Railways - - - - - - - -	816,300	787,700
Land Revenue - - - - - - -	666,000	403,100
Opium - - - - - - - -	467,000	467,000
Stamps and Excise - - - - -	303,100	192,100
		1,849,900

I need not enter upon the discussion of smaller differences. I have noted all the important ones, except, perhaps, an enhanced expenditure under Minor Works—Irrigation, due mostly to enhanced grants for certain works in the Bombay Presidency. The amount of improvement which I have just stated would, when compared with the initial deficiency of Rx. 1,542,900, give a surplus of Rx. 307,000; and the surplus we declare, namely Rx. 46,200, may be represented as this amount of Rx. 307,000, increased by numerous smaller differences to Rx. 376,200, and then diminished by two special charges, amounting to Rx. 330,000, which I have to mention under the head of Army.

49. In the Army figures the comparison with last year's Budget Estimates is as follows:—

	Budget, 1894-95.	Budget, 1895-96.	Increase.
Net Expenditure in England - - £.	4,394,400	4,393,900	—500
Net Expenditure in India - - - Rx.	15,416,700	16,286,000	869,300

Of this increase of Rx. 869,300, I have already taken into account the portion due to Exchange, namely, Exchange Compensation, Rx. 144,200, and the increase in British soldiers' pay, Rx. 379,900: total, Rx. 524,100, so that the real increase in the Military Estimates in India, apart from Exchange, is only Rx. 345,200, namely, the two charges I have mentioned, and a further amount of Rx. 15,200.

50. As usual, a large number of items contribute to this last difference. Waziristan and the Boundary Demarcation require a special provision of Rx. 107,400, and the construction of a trans-frontier post requires Rx. 32,500; certain new regulations as to good-conduct pay and as to lance ranks in the British Army made a demand on us for Rx. 44,400; the new distribution of the Army into four commands requires an addition of Rx. 11,300, besides the Rx. 10,000 provided last year; a new and very necessary arrangement for hutting native troops requires an annual grant of Rx. 13,000 for some years, beginning with the present year; and the fall of Exchange adds Rx. 13,000 to the provision necessary for purchase of colonial horses for remounts. Against these we can put some savings, of which the principal ones are, expected less expenditure on Commissariat supplies, Rx. 164,000, and in Ordnance supplies, Rx. 18,500; the abatement of a special mobilization charge of Rx. 38,200, and of some other special charges that appeared in the Estimates of 1894-95.

51. Of the two special charges, the first is an amount of Rx. 150,000, which we desire to set aside in order to provide for the preparations we have thought it necessary to make for military operations that may be forced upon us in consequence of difficulties in Chitral. This is not to be understood as an

estimate of the probable cost of these operations if they are undertaken. But we must be in a position to cross the frontier, and we consider it necessary to provide Rx. 150,000 in our ordinary Estimates for this purpose.

52. The remaining amount, Rx. 180,000, arises out of an announcement which I have a very great pleasure in being charged with the duty of making. The pay proper of the Native sepoy has been seven rupees a month since 1796, but in addition to this he enjoys other allowances, some of which are common to the whole force, like compensation for dearness of provisions, and some are special concessions, which apply only to portions of the forces. These last were mostly given under conditions which are no longer applicable, and they create in some cases undesirable inequalities of treatment.

The necessity for an increase in the general scale of sepoys' allowances has for some time past become increasingly evident to all engaged in the administration of India ; and, when some months ago the present Commander-in-Chief urged that the measure could no longer be postponed, the Government unanimously accepted the conclusion. Some details still remain to be settled, and I cannot do more at present than indicate in general terms that it is intended that from 1st July next no soldier of the dismounted branches of the Native Army shall get less than nine rupees a month.

This increase of allowances for the force of about 110,000 men is estimated to cost Rx. 260,000 a year, but we have to provide in 1895-96 for less than a full year's charge, that is, for Rx. 180,000 only.

QUESTIONS RELATING TO BENGAL OPIUM.

53. In discussing the Estimates, I have referred more than once to the subject of the Opium Revenue, stating that I would deal with the subject in a special section. During the year the Government had occasion to review the position and prospects of the Opium Revenue of Bengal. Some years ago the Government established as a sort of standard to be aimed at the number of 57,000 chests as the proper number to be sold in a year, and their policy was to maintain, in their production, a sufficient reserve of chests to enable them to bring forward this number for sale with fair regularity.

54. We had up till 1887-88, inclusive, several good years of production, the average of the last five years being 64,500 chests ; and in the sales of 1889, fixed on the basis of the production of that year, we adhered to our standard of 57,000 chests, and were able also to add 12,500 chests to the reserve, which on 1st January 1890 stood at 49,705 chests.

55. But after that year we entered upon a cycle of bad years. We may take it that the measure of production in an average year is ·20 maund per acre ; we produced ·22 during the five years ending 1887-88, but for the next five we came down to an average of ·17. Moreover, we not only produced less per acre, but the cultivators were discouraged by a series of bad years, and the average cultivation fell from 553,000 acres in the first quinquennial period to 473,000 during the second. Each year we hoped for an improvement, and each year, though we greatly reduced the sales, we were drawing upon our reserve to make up a fair tale of sales, believing it impossible, by the law of averages, that the next season should fail to restore in some degree our position. When I made the financial statement last year, we believed we were on the eve of harvesting a very good crop ; but such is the precarious nature of the opium crop, that within a month we found that the poppies were deficient in juice, and we presently realised that the crop to be garnered was the worst on record. The ratio of productiveness diminished to ·13, and the produce of provision opium, after reducing to a minimum the necessary manufacture of excise opium, was only 33,328 chests. We were obliged very greatly to limit the sales for 1895, and the reserve is absolutely exhausted. The amount to be sold in 1895 is only 37,260 chests.

56. We have gained very greatly in the enhanced price we have obtained in this restricted market, but probably the disturbed state of affairs in China has given freer entrance to our opium and served to aid the enhancement in price.

57. We,

57. We, however, have long ceased to have a monopoly of opium supply in China, and we have to steer between the two opposing policies of risking our position in the market by restricting the quantity supplied, and risking the prices we obtain by sending too much into the market. We have no doubt that at our present rate of sale the risk we are running is the first of these two risks, and we consider ourselves under an obligation, in our own interests, to restore the standard of production, with a view of increasing the amount sold, as well as of setting aside a reserve which will enable us to maintain a pretty equal supply.

58. We considered, under these circumstances, it was wise to increase from Rs. 5 to Rs. 6 the rates paid to the cultivator for crude opium, and, so far as we can judge, this increase has produced the desired effect—in the Benares Agency at least—of preventing a serious falling-off in the area under cultivation. We have also made arrangements for the purchase of crude opium in Malwa, which we can manufacture into excise opium, so as to set free as much as possible of the produce of the Agencies for manufacture for export. The future sales we do not definitely settle till June; but it is desirable on the present occasion to say that, unless we can manufacture more than 52,000 chests out of our Agency produce, we shall not increase the sales of 1896 beyond 42,000 chests.

CONVERSION OF THE RUPEE DEBT.

59. My predecessor, Sir David Barbour, in raising a Rupee Loan in 1893 at 3½ per cent. interest, laid a foundation for a general reduction to that rate in the interest borne by our securities. That loan was raised at an average rate of Rs. 96. 3. 2½, but the price quickly rose, and at the date of the last financial statement it stood above par; by June it had risen to 2½ per cent. premium. This price, and our very large cash balance, in which we had some 8 to 10 crores (*i.e.* millions of Rx.) to spare, convinced us, and also created an impression among the public, that the opportunity had come to attempt a reduction of the general rate of 4 per cent. at which our securities stood.

60. The amount of debt to be dealt with was over 95 crores (millions of Rx.), of which 27·3, 24·5, and 35·5 were held respectively under the loans of 1842–43, 1854–55, and 1st May 1865, the balance being divided over five smaller loans. About 25 crores of this amount, chiefly of the 1854–55 Loan, was held in England.

61. It is unnecessary to explain the precise considerations which determined the details of our programme. The main considerations were the necessity of having the operation complete by the month of November, and of so arranging it that our spare cash balance of 8 to 10 crores was, at every stage, a sufficient backing for each immediate operation. As a matter of fact, except under the first notification, when we risked, in the event of complete failure, a possible obligation of having to discharge 19 or 20 crores, we at no time stood any chance of having to meet, in the form of discharge of debt, more than could easily be met out of our unusually ample cash balances; and, of course, this circumstance, sufficiently well known, was a strong inducement to the holders of the debt to come in for conversion. Indeed, as the price of the 3½ per cent. loans never stood at a lower figure than Rs. 103 during the whole operation, they had everything to gain, and nothing to lose, by accepting our terms of conversion, rather than taking discharge.

It fell just below Rs. 103 in the first week of August, but in that week no conversion operation was in progress.

62. Our first notification issued on 30th June, and announced the discharge of the 4 per cent. loan of 1842–43, with option of accepting reduction of rate of interest to 3½ per cent., the reduced rate having effect from 1st August 1895, and being guaranteed till August 1st 1904. The outstanding amount of this loan was about 19 crores in the hands of the public, and a little over 8 in the currency investment. We offered the same terms of conversion to holders of other loans at the same time, and hinted that, if they did not accept, they might have to accept less favourable terms in future.

63. We allowed the usual period of a month for acceptance of our terms; and, when we came to make up accounts (the completion of which always took a little time, as we received notes for conversion at every treasury in India), we found that the compulsory conversion (that of the 1842–43 Loan) had been almost universally accepted, and that about 14 crores of other loans had also been tendered.

64. Our next step was to advertise, on August 13th, a portion of the 1865 Loan, offering conversion on terms one-quarter per cent. worse than the original ones; but at the same time we re-opened, for a fortnight, both in respect of this, and of other loans, the terms of voluntary transfer offered under the first notification. A few days afterwards we similarly notified two petty loans that stood upon our books. This was really the critical part of the operation—the portion of it which settled the question whether or not we would be able to carry it through. The plethoric condition of the London money market, which declared itself especially in the month of August, combined with the success we had obtained in the first operation to bring in tenders for optional conversion at a rapid rate. And, when at the end of the fortnight, for which the original terms were open, we collected our information, we found that we could account for about 66 crores as converted, namely, about 38 compulsorily and 28 optionally.

These figures will not precisely agree with the figures given in Part II. I am dealing here with the information we possessed at the time, and not with the totals as afterwards collected and made up.

65. The outstandings were now, at the outside, 14 crores of the 1854–55 Loan (in which the English holding had been reduced by optional conversions to a little over 6½ crores), 9 crores of the 1865 Loan, and 6 crores distributed under other loans.

66. We notified the 1854–55 Loan at once (September 1st), bringing forward still farther, namely, to 31st December 1894, the date from which the reduction of interest was to have effect, and we offered optional conversion to other outstanding holders on the same reduced terms (3rd September). When the first fortnight of this notification was over, the total outstanding balance was reduced to 10¼ crores, of which, however, we were pretty confident that returns not yet received would account for one or two crores.

67. A final notification on 20th September applied still further reduced terms of compulsory conversion, or discharge, to the remaining outstandings.

68. We knew that we had only four or five crores remaining unconverted, and with the aid of the Public Debt Offices we set to work to re-examine the returns, for it will still be a little time before the operation will have completely passed into the accounts. The result as known on the 9th March 1895 was as follows:—

[The figures are Rx., omitting 000.]	Balance on 30th June 1894.	Converted into 3½ per cent. guaranteed.	Balance unconverted.
1. Loan of 1832–33	617	554	63
2. Loan of 1835–36	1,560	966	594
3. Loan of 1842–43	27,316	25,980	1,336
4. Loan of 1854–55	24,448	23,118	1,330
5. Transfer Loan of 1st May 1865	35,536	34,113	1,423
6. Reduced Loan of 16th January 1879	5,617	5,232	385
7. Mysore Family Loan	50	50	—
8. East India Railway Commuted Stock	5	5	—
TOTAL	95,149	90,018	5,131

69. We

69. We took the opportunity offered by the conversion, of simplifying our loan accounts, by abolishing the first two and the last two of the above list; that is, the terms of conversion offered in these two cases included transfer into one of the other accounts. The result is that, in lieu of the above eight heads, we have now on our books only four accounts, the four guaranteed 3½ per cent. loans, as they are now called, all held under precisely the same conditions, and differing only in respect of the half-yearly dates on which interest is payable.

70. These and the two previously existing 3½ per cent. loans, which aggregate a little over 3½ crores, and the conditions of which differ from the above only in respect that they are not guaranteed against discharge before 1st August 1904, summarise, with one small exception, the whole of our rupee public debt.

71. The option of conversion into 3½ per cent. guaranteed debt having closed on 3rd October, we proceeded, by a notification on 8th October, to offer the holders of the above-stated unconverted balance of Rx. 5,131,000 the option of taking, on certain terms involving surrender of accrued interest, unguaranteed paper of 3½ per cent., if they preferred it to taking discharge. These terms of conversion are still open, and up to the 9th March the balance in question was thus accounted for—

[The figures are Rx., omitting 000.]	Unconverted Balance as above.	Converted into 3½ per cent. Unguaranteed Loans.	Discharged under Original Notifications.	Still Outstanding on 9th March.
Loan of 1832–33 - - - -	63	2	8	53
Loan of 1835–36 - - - -	594	82	5	*145+362
Loan of 1842–43 - - - -	1,336	786	153	397
Loan of 1854–55 - - - -	1,330	434	574	322
Loan of 1865 - - - -	1,423	533	170	720
Loan of 1879 - - - -	385	171	64	150
TOTAL - - -	5,131	2,008	974	1,787+362

* The Rx. 362,000 separately shown, appertain to the Husseinabad Endowment referred to in Act XV. of 1878, and held by the Government in trust. Either most of it, or the whole of it, will be converted after the completion of an examination of the original transactions out of which it arose.

72. According to present appearances, our new 3½ per cent. securities bear as high a value in the market as the 4 per cent. did a year ago; and, what is quite as important, the reduction of interest has not had any effect in quickening the flow of securities from the English to the Indian market, about Rx. 909,300 having been transferred in 11 months of this year, against Rx. 1,247,000 last year.

73. The annual saving in interest which will accrue from the conversion is about 46 lakhs of rupees; but, as about 4 lakhs of that amount arises in respect of securities held in the currency investment, the net saving on the Revenue Account is about 42 lakhs (Rx. 420,000). But there will be a further temporary saving, by the discharge of the 97 lakhs above-mentioned, which will not require immediate replenishment, and also by the cessation of current interest on the 215, or rather 179 lakhs. (*See* the note in the last column).

74. I would not be doing justice if I passed from this subject without a word of acknowledgment to the Bank of Bengal, for the extremely efficient manner in which it coped with the immense mass of work which the conversion operations threw upon it. Each stage of the work was necessarily sprung upon the bank without any warning, but the directors, and their secretary, Mr. Cruickshank, were able, by rapid organization of their forces, to meet the

whole of the demands upon them without a single hitch of any kind. The acknowledgements of the Government have been conveyed both to them and to the other two Presidency Banks.

CAPITAL OUTLAY.

75. I have already stated, and it will be no matter of surprise, that we are not yet in a position to re-introduce the Famine Insurance grant. We charge against this head in 1895-96 a small amount, namely, Rx. 50,000 for Irrigation Works and Rx. 5,000 for Famine Expenditure; and we take from it also, though we charge under Railways, Rx. 366,800 in respect of the deficiency of interest on the Bengal-Nagpur and Indian Midland Railways, giving a total of Rx. 421,800. But we have no surplus to devote to the construction of Protective Railways, and the Famine Insurance grant must for the present remain in partial abeyance.

76. Although we did not provide for any Famine Insurance grant for Railway Construction in the Budget Estimates of 1894-95, I explained at the time that we were nevertheless really providing for the obligations imposed upon us in that respect. This is even more abundantly evident now that our revised estimates have resulted in a handsome surplus, for the following figures will show that this surplus, though it has not as a matter of account been transferred to and granted from Famine Insurance, has, as a matter of fact, been largely spent upon the East Coast Railway, which is the principal remaining item in the Protective Railway programme:—

———	Budget.	Revised.
	Rx.	Rx.
Surplus on the Revenue Account	—	+ 990,500
Railway Construction on Capital Account	3,450,000	*4,610,000
Irrigation	550,000	590,000
TOTAL CAPITAL OUTLAY	4,000,000	5,200,000

* Includes Rx. 768,000 spent upon East Coast Railway.

The amount allotted to railway construction was considerably enhanced during the year, and we have thus, as a matter of fact, utilised our surplus by spending it upon railway construction, though we have not for that purpose passed it through the Famine Insurance Account.

77. The Budget for 1895-96 provides for construction, on Capital Account, of Rx. 3,700,000 Railways, and Rx. 700,000 Irrigation: total, Rx. 4,400,000. These figures include Rx. 500,000 on account of the East Coast Railway, which there are further projects for connecting with Calcutta, though they are not far enough advanced to find a place in our estimates. Besides the State outlay just mentioned, there will be expenditure on the Assam-Bengal line to the extent of 500,000*l.* against debentures raised under the contract with the Company.

DEBT AND REMITTANCE.

78. The Secretary of State's account for the two years 1893-94 and 1894-95 may be taken as showing to what extent it has been necessary for him to increase

increase the debt of India, in consequence of the failure of remittance in 1893-94. The figures of the two years are as follow :—

—	Account, 1893-94.	Revised Estimate, 1894-95.	1893-94 and 1894-95 combined.
Net Receipts—	£.	£.	£.
Council Bills	9,530,235	17,000,000	26,530,235
Permanent Debt—			
Principal transactions	1,386,000	6,000,000	7,386,000
Others	48,785	—4,300	44,485
Temporary Debt	6,000,000	—4,000,000	2,000,000
Deposits, Advances, &c.	934	3,400	4,334
Opening Balance	2,268,388	1,300,564	2,268,388
TOTAL	19,234,342	20,299,664	38,233,442
Net Outgoings—			
Expenditure	15,633,361	15,594,500	31,227,861
Capital expenditure	725,084	823,200	1,548,284
Transactions on account of Railway Companies	654,903	530,700	1,185,603
Remittance Account with India	920,430	905,100	1,825,530
Closing Balance	1,300,564	2,446,164	2,446,164
TOTAL £.	19,234,342	20,299,664	38,233,442

79. The latest figures show that the remittances of the current year may fall somewhat short of our estimated figure of 17,000,000*l.*, but we may, I think, after the remittance of an amount approaching 17,000,000*l.* sterling during the current year, say that the disturbance due to the failure of remittance in 1893-94 has ceased to have effect; and we see now that its effect has been the increase of sterling debt by—

	£.
India 3 per Cent. Stock	6,000,000
3½ per Cent. Debentures	1,386,000
Temporary Loans	2,000,000
TOTAL	£.9,386,000

Against this we may take—

	Rx.	Rx.
Capital outlay charged in India and in England—		
1893-94	3,621,252	
1894-95 (Revised)	5,200,000	
Permanent debt paid off in India—net—		
1893-94	890,574	
1894-95 (Revised)	1,200,200	
Increase of cash balance in India, 31st March 1893 to 31st March 1895	7,407,732	
TOTAL		18,319,758
Deduct—Loan of 1893		3,499,100
NET		Rx. 14,820,658

80. So far as at present anticipated, there will be no borrowing, either in sterling or in rupees, in 1895–96, although the temporary loan of 2,000,000*l.* which falls due in May will have to be renewed.

81. The transactions of 1894–95 lead us to hope that we have now resumed the even tenor of remittance, and the Secretary of State estimates to draw 17,000,000*l.* of Council Bills during 1895–96.

82. These announcements as to borrowing and as to Council Bills are made, as usual, with the most absolute reservation to the Secretary of State and the Government of India of power to change their programme in any way they think advisable.

CONCLUSION.

83. I have now given an account—I hope it is a clear one—of the financial crisis through which we have been passing during the last two years. I am far from saying that that crisis is yet past; we are now in smoother waters, and our prospects, so far as financial equilibrium is concerned, are distinctly more hopeful than they were twelve months ago. But many causes for anxiety still remain, and we may again be in difficulties before many months are over. Not that I foresee any special difficulties, but merely that, so long as a difference of a tenth of a penny in exchange means a difference of a quarter of a crore in our estimates, we would be foolish to build, upon the favourable out-turn of the estimates which I have to-day presented to the Council, any sanguine expectations of brighter days in the immediate future. I stated last year—and I repeat it now—that we cannot call our financial position safe, until we can reckon upon sufficient surplus to warrant our renewing the Famine Insurance Grant. We believe that under present circumstances it is better to go without that grant than to increase taxation for the purpose of providing the surplus which is necessary before we can renew it. And, meantime, although we are as yet far from a complete restoration of our fortunes, I think we may claim to have made a fair amount of progress towards their restoration.

PART II.

DETAILS OF ACCOUNTS AND ESTIMATES.

Section I.—Accounts of 1893–94.

84. The Revised Estimates for the year 1893–94 worked out to a deficit of Rx. 1,792,800, but the Accounts show a slightly diminished deficit of Rx. 1,546,998.

85. Explanations under the several heads of the variations of the Account figures from those of the Budget and Revised Estimates are given in the Appropriation Report published in the "Gazette of India" of the 16th instant.

A general

A general comparison of the Revised Estimates with the Accounts of the year is contained in the following statement:—

	Revised Estimate.	Accounts.	Accounts, better.	Accounts, worse.
REVENUE.				
India - - - - - Rx.	90,121,000	90,246,041	125,041	—
England - - - - - £.	187,700	193,454	5,754	—
Exchange - - - - - Rx.	120,800	125,719	4,919	—
TOTAL - - - Rx.	90,429,500	90,565,214	135,714	—
EXPENDITURE.				
India:				
Imperial, Provincial, and Local, Rx.	66,548,400	66,311,392	237,008	—
Adjustment for Provincial and Local Surplus or Deficit - Rx.	—478,800	—311,291	—	167,509
NET - - - Rx.	66,069,600	66,000,101	69,499	—
England - - - - - £.	15,909,600	15,826,815	82,785	—
Exchange - - - - - Rx.	10,243,100	10,285,296	—	42,196
TOTAL - - - Rx.	92,222,300	92,112,212	110,088	—
DEFICIT - - Rx.	1,792,800	1,546,998	245,802	—

86. The total Revenue in India was higher than the figure taken in the Revised by Rx. 125,041, while the total Expenditure was less by Rx. 237,008, giving a total improvement of Rx. 362,049. This was distributed as follows between Imperial and Provincial:—The Actual Revenue exceeded the Revised Estimate by Rx. 89,182 under Imperial and by Rx. 35,859 under Provincial and Local; while Imperial Expenditure fell off by Rx. 105,358, and Provincial and Local Expenditure by Rx. 131,650. There was thus an improvement in the Imperial Section of the Accounts of Rx. 194,540, and in the Provincial and Local Section of Rx. 167,509.

87. In England there was a reduction in Expenditure, including Exchange, of Rx. 40,589, and an improvement in Revenue of Rx. 10,673, which together give an improvement of Rx. 51,262. And, adding to this the improvement of Rx. 194,540 in the Imperial Section, we arrive at the amount of Rx. 245,802 by which the deficit in the Accounts fell short of the estimate of March last.

88. The largest part of the increase in revenue occurred in the Railway Revenue Account, under State Railways, Rx. 103,727, the traffic on the North-Western and Bengal-Nagpur Railways at the end of the year having improved beyond what was expected. Miscellaneous Revenue was also under-estimated by Rx. 31,336, and Army Receipts by Rx. 23,243. Under Principal Heads of Revenue there was on the whole only a slight over-estimate of Rx. 20,600, but the variations under some heads were considerable. Salt Revenue showed the largest deficiency, coming short of the Revised Estimate by Rx. 117,324. Opium also was over-estimated by Rx. 66,829, and Stamps by Rx. 41,649. On the other hand, Land Revenue and Forests brought in Rx. 97,309 and Rx. 45,922 more than was anticipated.

89. The expenditure was generally slightly less than in the Revised Estimate, the largest difference occurring in the expenditure on Civil Works, where the over-estimate amounted to Rx. 117,322. Provincial and especially local officers

are apt to provide large margins under this head, which we admit only because the estimate does not affect the Imperial Account. The expenditure on Civil Departments was slightly under-estimated by Rx. 80,106, chiefly under Police; also for the most part a non-Imperial head.

90. In England the differences in expenditure were in most cases small; the only considerable difference was in the Army Expenditure, which fell short of the Revised by 85,108*l.*, owing, as usual, to the progress in the supply of stores being slower than was anticipated.

The Expenditure in England was brought to account at an exchange of 14·5466 pence, the rate taken in the Revised Estimate having been 14·6 pence.

91. The Expenditure not charged to Revenue amounted to Rx. 3,621,252, being slightly less than was taken in the Revised Estimate.

Section II.—Revised Estimate of 1894-95.

92. The following statement contains a general comparison of the figures of the Budget and Revised Estimates of 1894-95, the former having been made up on the basis of a rate of exchange of 14*d.*, and the latter of 13·09*d.*, to the rupee (or more exactly Rs. 18⅓ to the pound):—

——	Budget.	Revised.	Revised, better.	Revised, worse.
Revenue.				
India - - - - - Rx.	91,728,000	94,783,800	3,055,800	—
England - - - - - £.	173,200	202,000	28,800	—
Exchange - - - - - Rx.	123,700	168,300	44,600	—
Total - - Rx.	92,024,900	95,154,100	3,129,200	—
Expenditure.				
India:				
Imperial, Provincial, and Local Rx.	66,373,500	65,857,600	515,900	—
Adjustment for Provincial and Local Surplus and Deficit - Rx.	—1,184,400	—654,200	- -	530,200
Net - - Rx.	65,189,100	65,203,400	- -	14,300
England - - - - - £.	15,830,300	15,796,500	33,800	—
Exchange - - - - - Rx.	11,307,400	13,163,700	- -	1,856,300
Total - - Rx.	92,326,800	94,163,600	- -	1,836,800
Surplus (+) - Rx.	—	+990,500	—	—
Deficit (—) - Rx.	—301,900	—	1,292,400	—

93. The

93. The revenue in India has increased by a very considerable amount, and there has also been a slight improvement in the revenue in England. The total expenditure in India is below the estimate, the Imperial Expenditure, including that in England, sharing in the improvement, though to a smaller extent. But the fall in the rate of exchange from 14*d.* to 13·09*d.*, a fall of slightly less than 1*d.*, absorbs nearly two crores of the increased revenue. The net result is, nevertheless, a considerable improvement, the deficit of Rx. 301,900 being converted into a surplus of Rx. 990,500.

94. The total improvement of the revenue in India amounts to Rx. 3,055,800, of which the Imperial share is no less than Rx. 2,895,300, the small balance of Rx. 160,500 arising out of the provincial and local portion of the Accounts. The bulk of the improvement is under Opium, Customs, and Railways, which are either wholly or mainly Imperial heads of account.

95. The heads under which a considerable improvement is anticipated are—

	Imperial.	Provincial and Local.	Total.
	Rx.	Rx.	Rx.
Opium	928,400	- - -	928,400
Stamps	17,100	41,500	58,600
Excise	150,200	45,300	195,500
Customs	922,900	7,200	930,100
Assessed Taxes	30,100	22,300	52,400
Miscellaneous	31,500	30,400	61,900
Railway Revenue Account	799,900	3,900	803,800
Army	120,000	- - -	120,000
Total - - - Rx.	3,000,100	150,600	3,150,700

96. The large improvement in opium occurs mainly in the sales of Bengal opium, which account for Rx. 795,300 of the Rx. 928,400 shown above, but in Bombay the duty on Malwa opium has also improved by the considerable amount of Rx. 134,600.

In Bengal it proved necessary, in consequence of another bad season and small crop, to reduce the number of chests sold during the last six months of the year from 3,525 to 3,105 a month, thus reducing the total number of chests sold in the year from 42,300 to 39,780. But so great has been the rise in price, partly owing, no doubt, to the restriction in the amount sold, that the outcome has been the largely improved receipts noted above. For the Budget it was not considered safe, having regard to the prices ruling in March last, to take a higher average rate than Rs. 1,070 a chest, but the actual average rate for the year has been Rs. $1{,}337\frac{11}{16}$, while the highest average touched in any month was Rs. 1,540 in February.

October was the first month in which the diminished number of chests was offered for sale, but the reduction was announced on 19th June 1894, and the price rose steadily till February. After the February sale a sudden reaction set in, and the price realised in March was more than Rs. 200 a chest below that realised in February.

The prices of Malwa opium have risen, as well as those of Bengal opium, though not to the same extent. The rise was considered sufficient to justify the imposition of an increased duty on Malwa opium, and the duty was accordingly raised from Rs. 600 to Rs. 650 a chest by a notification issued on 11th December 1894. The higher duty does not appear to have materially checked exports, and it will bring in during the current year about Rx. 27,900 out of the total improvement of Rx. 134,600 in Bombay.

97. The improvement of Rx. 58,600 in the revenue from Stamps is mainly the outcome of increases of Rx. 65,000 and Rx. 30,000 in Bengal and Madras, and of decreases of Rx. 30,000 and Rx. 16,000 in the North Western Provinces and Oudh and the Punjab.

98. In Excise Revenue there has been a general improvement everywhere except in the Central Provinces, where, however, the falling-off is very slight, and in Assam, where it is expected that the Budget Estimate will just be realised. The largest improvement has been in Madras (Rx. 60,000), Bengal (Rx. 45,000), Lower Burma (Rx. 33,000), and Bombay (Rx. 28,000).

99. Under Customs, Rx. 63,200 of the total increase of Rx. 930,100 is due to improvements in Export Duties (Rx. 41,400) and Miscellaneous Revenue (Rx. 21,800). The remainder (Rx. 866,900) arises from the duties on imports. A considerable portion of it accrues from the Cotton Duties which were imposed on December 27th last, and are expected to produce this year the following (gross and net) amounts :—

	Rx.
Import Duties - - - - - - -	354,100
Excise Duties - - - - - - -	12,500
Gross Revenue - - -	366,600
Less, Refunds - - -	7,500
NET REVENUE - - -	359,100

The balance of Rx. 500,300 is due almost entirely to the new duties imposed in March last having proved more productive than was then expected. The Budget and Revised Estimates for Import Duties (other than Cotton Duties) are classified in the table below under certain general heads :—

	Budget Estimate, 1894–95.	Revised Estimate, 1894–95.	Increase.	Decrease.
IMPORT DUTIES.	Rx.	Rx.	Rx.	Rx.
Articles on which the duties remained unaltered.				
1. Liquors - - - - - - -	612,000	621,000	9,000	—
2. Arms and Ammunition - - - -	31,250	35,000	3,750	—
3. Other articles - - - - -	450	*	—	450
TOTAL - - -	643,700	656,000	12,300	—
Articles on which new or enhanced duties were imposed.				
4. Articles of food and drink - - -	246,000	296,000	50,000	—
5. Chemicals, Drugs, Medicines, &c. - -	62,500	94,000	31,500	—
6. Silver Bullion and Coin - - -	100,000	355,000	255,000	—
7. Other Metals and Manufactures of Metals - - - - - - -	210,500	208,000	—	2,500
8. Oils - - - - - - -	392,000	310,000	—	82,000
9. Manufactured articles - - -	393,000	504,000	111,000	—
10. Raw materials and unmanufactured articles	66,000	121,000	55,000	—
TOTAL - - -	1,470,000	1,888,000	418,000	—
Deduct—Refunds and Drawbacks - - -	70,000	†	70,000	—
GRAND T	2,043,700	2,544,000	500,300	—

* Included under (5). † Shown as expenditure in Revised.

The only article in the case of which the duty is expected to fall seriously short of the estimate of March last is Petroleum; allowance was made for a considerably decreased import in consequence of the enhancement of the duty, but the reduction has proved insufficient, as there has been an enhancement of price due to other causes than increased duty. Metals, other than silver, will give about the amount anticipated, but in the case of all the other articles the Revised Estimate now framed is considerably in excess of the Budget. The largest increase is in the duty on silver, for which it was not in March last considered safe to take a larger amount in the absence of information as to the effect which the duty might have in checking the importation of this metal. The gross and net imports of silver for the first eleven months of the year are—

	Value of Gross Imports.	Value of Net Imports.
1894.	Rx.	Rx.
April	605,485	437,559
May	414,159	305,052
June	495,885	291,643
July	1,094,258	913,014
August	897,994	691,588
September	777,617	735,707
October	414,023	198,715
November	360,561	288,762
December	567,203	528,171
1895.		
January	735,645	677,614
February	592,003	554,763
TOTAL ELEVEN MONTHS	6,954,833	5,622,578

100. Assessed Taxes show an improvement everywhere but in the Central Provinces, where the falling-off is almost inappreciable. The largest increases are Rx. 20,000 in Bengal and Rx. 19,500 in Madras.

101. Under Miscellaneous Revenue the principal items making up the improvement of Rx. 61,900 are (1) the Refund of the Opium Commission Charges incurred in 1893-94 which will be brought to account in India —Rx. 9,400; (2) increased gain by exchange on transactions in the Local Currency of Hyderabad (Halis) Rx. 6,000, the value of the Halis having fallen considerably since the mints were closed; (3) an improved Revenue of Rx. 10,000 in Bengal from fees for survey of Tea Lands and from Partition Fees; (4) a special repayment of Rx. 7,600 by the Bombay Port Trust on account of a portion of its debt to Government which does not bear interest; and (5) an improvement of about Rx. 3,000 in the Revenues of Berbera and Zaila.

102. The Railway Revenue has continued to develope in a most satisfactory way. The improvement shown above is made up as follows:—

	Rx.
State Railways Gross Receipts	1,194,400
Guaranteed Railways Net Traffic Receipts	—406,500
Subsidised Railways	15,900
TOTAL	803,800

The only untoward feature is the large falling-off in the net receipts of Guaranteed Railways, chiefly on the Great Indian Peninsula Railway (Rx. 480,000), against which there is some set-off in improved receipts on the Bombay Baroda and Central India Railway (Rx. 82,500). On State Railways the improvement has been general, the only important exceptions being the Mysore Railway (—Rx. 20,000) and the Burma Railway (— Rx. 90,000), the last of which has remained at the low level of 1893-94, and has not recovered the ground lost in that year, as it was expected to do when the Budget was framed. The improvement has been very large on some lines, such, for instance, as the following:—

	Rx.
East Indian - - - - - - - - -	190,000
Rajputana-Malwa (including Godhra-Ratlam) - -	222,500
Eastern Bengal - - - - - - - -	210,000
Oudh and Rohilkhand - - - - - - -	195,000
North-Western - - - - - - - -	300,000

while the Indian Midland, Southern Mahratta, East Coast, and Bengal and North-West and Tirhoot Railways also show a material excess over the Estimates.

Of course, in the case of Railways there is always some set-off against increased Revenue in the shape of enhanced working expenses, and this year this enhancement has amounted to Rx. 411,200. But, even taking the net Traffic Receipts for State Railways, the improvement mounts up to the very large figure of Rx. 783,200.

103. The increase in Army Receipts has arisen chiefly under Commissariat Receipts (Rx. 18,600), due to larger sales of malt liquor in consequence of the increased strength of British Troops, and under Ordnance Receipts (Rx. 82,300), due to larger sales of stores.

104. The only head of Revenue under which a noticeable falling-off is expected is Land Revenue (Rx. 194,900). This is due mainly to suspensions in the North-Western Provinces, where the Revenue is expected to fall short by Rx. 196,500 of the figure taken in the Budget Estimates; the arrears will, it is expected, be collected next year, the Budget Estimate for which is correspondingly raised. There are also decreases of Rx. 58,300 in the Central Provinces, of Rx. 74,800 in Bombay, and of Rx. 52,800 in the Punjab, owing largely to similar postponements of collection, which have led to Revenues due in 1894–95 being reserved for collection in 1895-96. In Bombay there have also been some remissions of Revenue owing to floods in the Sind Districts. These reductions have been partially counterbalanced by improved collections in other provinces, principally Madras (Rx. 101,400) and Upper Burma (Rx. 55,000).

105. The increase in the sterling Revenue occurs under the head of Army Receipts, which are expected to give 66,600*l.* against 33,400*l.* in the Budget, the greater portion (28,900*l.*) of the excess accruing under the head of Indian Troop Service, and being due to the sale of three troopships for which no provision was made in the Estimates. Against this improvement there is a diminished receipt of 6,500*l.* under Interest, the Secretary of State's balances not having been invested to the same extent as usual, owing to the low rate of interest prevailing during the greater part of the year.

106. The total falling-off of Rx. 515,900 in the Expenditure in India as compared with the Budget is made up of a reduction of Rx. 146,200 in the Imperial Expenditure, and of Rx. 369,700 in the Provincial and Local Expenditure; it is the net outcome of several increases and decreases, some of which are of considerable proportions.

107. The

107. The more important increases and decreases are stated below:—

	Imperial.	Provincial and Local.	Total.
INCREASES.	Rx.	Rx.	Rx.
Refunds and Drawbacks	44,000	2,100	46,100
Interest	282,200	—3,400	278,800
State Railways Working Expenses	433,000	—21,800	411,200
TOTAL	759,200	—23,100	736,100
DECREASES.			
Land Revenue	12,800	67,500	80,300
Opium	610,100	—	610,100
Forest	28,800	21,600	50,400
Telegraph	44,000	—	44,000
Law and Justice—Jails	100	45,000	45,100
Police	30,300	32,700	63,000
Education	1,600	48,100	49,700
Civil Works	15,100	129,900	145,000
Army	50,600	—	50,600
TOTAL	793,400	344,800	1,138,200
NET DECREASE	- -	- -	402,100

108. Exchange Compensation has not materially affected many of the heads of the estimates. The rate of exchange adopted for the Budget Estimate was 14*d.*, which gives a maximum percentage for the calculation of Exchange Compensation Allowance of Rs. 14-4-7 per cent. The actual market rate applied has been for the four quarters $14\frac{3}{8}d.$, $13\frac{5}{16}d.$, $13\frac{5}{32}d.$, and $13\frac{1}{4}d.$, which give an average rate for the whole year of just over $13\frac{1}{2}d.$—the exact average is $13\frac{67}{128}d.$—with an average percentage for calculation of Exchange Compensation Allowance of Rs. 16-10-2. The percentage has thus been raised by Rs. 2-5-7. The total increase, however, over an estimate of Rx. 1,113,300 is only Rx. 122,600, which falls far short of being proportionate to this increased rate of percentage. The reason for this is that the basis for an accurate estimate—namely, a knowledge of past actuals—was wanting in March last; and there seems also to have been some tendency to over-estimate the charge.

Such details as are necessary for exhibiting the difference between the Budget and the Revised Estimate are given in the following table:—

	Budget Estimate, 1894-95.			Revised Estimate, 1894-95.			Increase + Decrease — on Total.
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Civil Heads (including Marine and Post Office)	143,000	349,800	492,800	149,600	378,300	527,900	+ 35,100
Army	465,800	- -	465,800	518,600	- -	518,600	+ 52,800
State Railways Working Expenses	47,900	2,900	50,800	87,600	2,500	90,100	+ 39,300
Other Public Works Heads (including Telegraph)	56,200	47,700	103,900	56,400	42,900	99,300	— 4,600
TOTAL Rx.	712,900	400,400	1,113,300	812,200	423,700	1,235,900	+ 122,600

The only item which needs special notice is the increase under State Railways Working Expenses; the disproportionate increase in that case from Rx. 50,800 to Rx. 90,100 is due to the fact that provision was not made in the

Budget for the payment of the allowance to Company's servants, the various Companies having adopted the principle only after the Budget was passed.

109. Of the increased charge under Refunds and Drawbacks, Rx. 38,200 occurs in Bombay, and is due mainly to refunds, &c., of Customs Duties. The increase is due partly to the refunds and drawbacks arising out of the new Cotton Duties imposed in December 1894, but partly also to the similar charges arising out of the new Customs Tariff of March 1894. For these refunds, provision was made in the Budget by deduction from the anticipated Revenue.

110. The increase under Interest is a consequence of the measures for the conversion of the Rupee Debt which were taken in the course of the year and have been briefly described above in Part I. Some further particulars are given in a separate section of this statement (see Section VI. below).

The result of these measures has been to raise the charge for interest in the current year by Rx. 301,000, chiefly owing to the payment of an extra $\frac{1}{2}$ per cent. of interest up to 1st August 1895 under the terms first offered, as contained in the Notifications of 30th June and 13th August, and to the payment of the commission which was allowed to principals or agents actually tendering notes for conversion.

The expenditure under the head General Administration has also been slightly increased by these operations, owing to payments made to the Bank of England and to the Presidency Banks for the extra work involved in the conversion.

A saving of Rx. 524,800, however, in next year's estimates, under the head Interest, results from the conversion operations (see paragraph 158), and this saving will be repeated in the Estimate of future years.

111. The increased charges for the working expenses of State Railways are the necessary result of the improved Revenue; and have already been mentioned in connection with that improvement. (See paragraph 102).

112. The decrease under Land Revenue charges occurs chiefly in Bombay (Rx. 34,600) and the North-Western Provinces (Rx. 30,500), but there have been savings in all Provinces except Lower Burma, Bengal, and the Punjab, where the charges have exceeded the Budget by Rx. 18,300, Rx. 10,300, and Rx. 3,300 respectively. In Bombay the principal savings are due to new establishments, for which provision was made, not having been entertained, and to savings in boundary marks expenditure, partly owing to large arrear recoveries, which are brought to account by deduction from expenditure. In the North-Western Provinces the saving is to a considerable extent nominal, being chiefly due to the transfer of certain charges from this head to Law and Justice. In Lower Burma the major part of the increased charge arises from increased commission paid on account of enhanced Land Revenue collections.

113. The saving under Opium is due to the bad crop, to which reference has already been made (see paragraph 96). When the Budget was framed, the expectation was entertained that there would be a very good crop; but the actual crop was the worst that has ever been secured. The result has been the large saving shown above.

114. Under Forests savings are expected everywhere, except in the Punjab, where there is a slight increase of Rx. 3,000. The largest savings occur in Madras (Rx. 14,500), Bombay (Rx. 10,700), and Lower Burma (Rx. 8,500).

115. The decrease of Rx. 44,000 in the expenditure in the Telegraph Department is attributed to (1) recoveries on account of the Kashmir, Mundra, Hurdwar, and Gohna lines of telegraph, which have been treated as reduction of Capital Expenditure, (2) the cost of establishment charged to, and the value of stores recovered from, other Departments being larger than was anticipated, (3) an over-estimate of the cost of labour employed on workshops, and (4) savings in the establishment charges.

116. Under Jails there have been large savings in Bengal (Rx. 19,400) and the Punjab (Rx. 19,000), and smaller savings in most of the other Provinces.

In

In Bengal the saving occurs under jail manufactures, and in the Panjab it is chiefly due to savings on rations owing to the low price of food grains and a smaller number of prisoners.

117. The savings in Police Expenditure have been general, except in Bengal and the North-Western Provinces, where a small excess over the Budget is expected, owing, in both cases, to increased exchange compensation allowance, and in the latter case also to an under-estimate of the ordinary charges of the District Police Force. The largest savings occur in Upper Burma (Rx. 27,500), where, first, a revision of the pay of Assistant Superintendents of Police, for which provision was made, was not carried into effect, and, further, both the District and the Special Police were under full sanctioned strength, and some reductions in the Special Police were effected, which more than counterbalanced heavy extra charges for Escorts and Rations. The savings in other Provinces are in no case large.

118. In the expenditure on Education there have been savings in every Province, the largest occurring in Bombay (Rx. 11,600) and Madras (Rx. 12,300); the saving in Bombay is to a large extent nominal, a sum of Rx. 9,900 for Building Grants having been transferred to other heads of account. In Madras there have been various petty savings, the largest being due to the estimate for Government Schools Special having been framed to include extra expenditure which has not been incurred.

119. Under Civil Works there are lapses in almost all the Provinces, but by far the largest saving, Rx. 101,700, occurs in Madras, chiefly under Local, and is apparently due to the expenditure having been estimated at a higher figure than the Local Authorities could arrange effectively to spend during the year.

120. Under the head of Army the expenditure in India shows a small saving on the whole. There have, however, been considerable increases under some of its sub-heads. The fall in the rate of exchange has raised the total charge for exchange compensation allowance by Rx. 52,800 (see paragraph 108), and the same cause has operated to raise the charge for British soldiers' pay. The rate taken for the latter in the Budget was 15$\frac{1}{2}$*d.*, but it was revised in the course of the year, 14$\frac{1}{4}$*d.* being taken for the first quarter and 13$\frac{1}{4}$*d.* for each of the last three quarters, thus giving an average for the year of 13$\frac{1}{2}$*d.* The extra cost thus involved is Rx. 357,800. The Waziri Expedition is also estimated to cost Rx. 195,000 within the year, besides Rx. 90,000 which come into 1895-96; and some extra expense (about Rx. 35,000) has resulted from the excess over authorised establishment of the effective strength of British Cavalry and Infantry. All this extra expenditure has, however, been counterbalanced by savings in other directions, the largest being under Commissariat Supplies, owing to the generally prevailing low prices of food supplies, which have reduced both the direct charges for provisions for men and food for animals, and the indirect charges for the same which are given in the shape of compensation for dearness of Provisions and Forage. The total saving under the Commissariat Grant, due chiefly to the cause mentioned, is expected to be Rx. 504,800.

121. In sterling expenditure the saving of 33,800*l.* is the net outcome of several increases and decreases, none being of any magnitude except decreases of 70,700*l.* under Interest, of 38,000*l.* under Telegraphs, and of 55,600*l.* under Army, and an increase of 39,700*l.* under Special Defence Works. Under Interest the decrease was mainly due to the issue of 6,000,000*l.* India 3 per cent. stock on which interest is payable for three quarters only within the year, instead of 6,300,000*l.* India bills, in respect of which a whole year's interest was estimated, and to a reduction of the interest due on Temporary Loans from the Bank of England. These savings were lessened by the discount on the issue of the stock just mentioned. Under Telegraphs smaller indents for stores have been sent home, it having been found possible to diminish the time occupied in complying with indents and consequently to reduce the stocks held in India. Under Army the principal saving is in the non-effective charges, especially under Military pensions (40,000*l.*), the charge for which has not increased so much as was expected. Under Special Defence Works the increase

is partly due to payments which were provided for in 1893–94 having been actually made in 1894–95.

122. The decrease in sterling payments would have involved a decrease of Rx. 24,200 in the charge for exchange had the rate remained unchanged. The fall in the average rate of the Secretary of State's drawings from 14*d.* as estimated to 13·09d. as realized is accordingly accountable for an increase of Rx. 1,880,500 in the Exchange.

SECTION III.—BUDGET ESTIMATE OF 1895–96.

123. The following Statement compares the Revenue and Expenditure in India and in England in the Budget Estimates of 1895–96 with that in those of 1894–95 :—

	1894-95.	1895–96.	1895–96, better.	1895–96. worse.
REVENUE.				
India - - - - - Rx.	91,728,000	96,610,800	4,882,800	—
England - - - - - £.	173,200	171,000	—	2,200
Exchange - - - - Rx.	123,700	142,500	18,800	—
TOTAL - - - Rx.	92,024,900	96,924,300	4,899,400	—
EXPENDITURE.				
India—				
Imperial, Provincial, and Local Rx.	66,373,500	68,332,000	—	1,958,500
Adjustment of Provincial and Local Surplus or Deficit - Rx.	—1,184,400	—623,300	—	561,100
Net - - - Rx.	65,189,100	67,708,700	—	2,519,600
England - - - - - £.	15,830,300	15,910,600	—	80,300
Exchange - - - - Rx.	11,307,400	13,258,800	—	1,951,400
TOTAL - - Rx.	92,326,800	96,878,100	—	4,551,300
SURPLUS+ DEFICIT— - - Rx.	—301,900	+46,200	348,100	—

124. The general features of the Budget of 1895–96 compared with that of 1894-95 are a very large increase of Customs Duties, owing partly to the new duties on cotton yarn and goods imposed in December and partly to increased productiveness of the duties imposed in March last; a considerable increase in Land Revenue, due partly to suspensions carried forward from the current year and partly to increased assessments on revision of settlements; the usual progressive improvement in the other Principal Heads of Revenue and in Railway Revenue; a large saving under Interest owing to the conversion of the Rupee Debt from 4 per cent. to 3½ per cent.; a considerably increased charge under Army, due partly to the lower rate of exchange at which British soldiers' pay and exchange compensation allowance are estimated, and partly to the provision made for an increase to the Native Sepoys' pay, and for special warlike preparations in connection with the disturbances in Chitral; and a further largely increased charge under Exchange, caused by the fall in the value of the rupee from 14*d.* to 13·09*d.*

The

The net result is a small improvement, the deficit of Rx. 301,900 being converted into a surplus of Rx. 46,200.

125. The Revenue in India in 1895-96 is expected to exceed that taken in the Budget Estimate of 1894-95 by Rx. 4,882,800. Of this the sum of Rx. 1,515,000 is secured by new taxation.

126. The increase in Imperial Revenue is Rx. 3,999,100, and in Provincial and Local Rx. 883,700. The contributions from Provincial Governments amounting to Rx. 405,000, which were taken in the estimates of 1894-95 by reduction of the Provincial share of Land Revenue, disturbed the ordinary distribution of the Revenues as between Imperial and Provincial in that year; and as no contributions are taken in 1895-96 the comparison between the two years is to this extent affected. The Government of India's share in the increased Land Revenue of 1895-96 is almost exactly equivalent to the contributions taken last year from Local Governments, so that on the estimates as framed, though the total revenue under this head gives the substantial improvement of Rx. 666,000, the Imperial share shows a trifling reduction of Rx. 1,900 and the Provincial improvement amounts to Rx. 667,900. But for the disturbance of the ordinary distribution last year, the increase of Rx. 4,882,800 would have been distributed as Rx. 4,404,100 Imperial, and Rx. 478,700 Provincial and Local, and the Provincial share of the increased Land Revenue would have been Rx. 262,900. Under other heads than Land Revenue the Provincial and Local share of the increased Revenue amounts only to Rx. 215,800.

127. The only decreases of Revenue of any importance which are expected in 1895-96 are the following:—

	Imperial.	Provincial.	Total.
	Rx.	Rx.	Rx.
Interest	47,200	—3,400	43,800
Gain by Exchange	61,600	—	61,600
Irrigation—Major Works Direct Receipts	—44,400	85,700	41,300
Total	64,400	82,300	146,700

128. The falling-off under Interest is due mainly to the reduction in the interest on the Paper Currency Reserve Investment from 4 to 3½ per cent., which reduces the interest credited on that account from Rx. 326,400 to Rx. 285,600.

129. The factors which influence the amount taken to the head of Gain by Exchange have been explained in previous Financial Statements, and it is unnecessary to repeat them. The head is liable to extreme fluctuations; and it is only necessary to state here that the total fall of Rx. 61,600 is the outcome (1) of a falling-off of Rx. 100,200 in Railway transactions, chiefly owing to the absence in 1895-96 of any gain on transactions with the Assam-Bengal Railway, and (2) of an improvement of Rx. 38,600 in other transactions, due to the much smaller difference between the official rate of exchange and the rate for Council drawings taken in the Budget Estimate for 1895-96.

130. Under Major Irrigation Works the falling-off is the net result of a reduction of Rx. 87,900 in the North-Western Provinces, and of increases of Rx. 39,500 and Rx. 7,100 in the Punjab and Bombay. The falling-off in the North-Western Provinces is attributed to the heavy and prolonged rainfall in Northern India during the cold weather season, which has considerably lessened the resort to irrigation. The estimate, however, which is that of the local

officers, and which affects Provincial mainly, seems to err on the side of caution.

131. The principal increases of Revenue in India are the following:—

	Imperial.	Provincial.	Total.
	Rx.	Rx.	Rx.
Land Revenue	—1,900	667,900	666,000
Opium	467,000	—	467,000
Salt	60,900	4,200	65,100
Stamps	26,500	59,900	86,400
Excise	165,600	51,100	216,700
Provincial Rates	—600	129,300	128,700
Customs	1,933,300	8,500	1,941,800
Assessed Taxes	30,000	28,300	58,300
Post Office	92,500	—	92,500
State and Guaranteed Railways	1,135,900	—24,500	1,111,400
Land Revenue due to Irrigation	61,200	—	61,200
Total	3,970,400	924,700	4,895,100

132. Under Land Revenue there is an increase everywhere, except in Lower Burma (Rx. 14,000). The largest increases are in the North-Western Provinces Rx. 211,000, Madras Rx. 195,600, Central Provinces Rx. 99,000, and Bombay Rx. 111,500. In the North-Western Provinces Rx. 175,000, in the Central Provinces Rx. 54,200, and in Bombay a considerable amount, are due to suspensions or postponements in the current year of revenue which is expected to be realised in 1895–96. The rest of the increase in these Provinces is due to revisions of settlement. The same cause accounts for the greater part of the increase in Madras; but some of the improvement is also due to enhancement of water tax in the Godavari and Kistna Districts.

133. Under Opium the increase occurs chiefly in Bengal (Rx. 324,900), but there is also an increase of Rx. 124,600 in Bombay. The increase in Bengal is due to the higher level of prices now prevailing, which justifies us in taking a rate of Rs. 1,300 per chest, against Rs. 1,070 taken last year. The price of Bengal Opium is liable to great fluctuations, which render this head of Revenue one of the most difficult to estimate with even an approach to accuracy. But in view of the fact that the average price for the current year is Rs. $1,337\frac{11}{16}$; that the price realised at the monthly sales has not been below Rs. 1,300 since June last; that the current market price is quoted at over Rs. 1,300; and that the estimate of the number of chests to be sold is based upon the present low scale, the estimate of Rs. 1,300 seems safe. The considerable increase in price, as compared with that taken in the Budget of 1894–95, much more than counterbalances the reduction in the number of chests sold from 42,300 to 37,260. In Bombay the increase is almost entirely due to the rate of duty having been raised from Rs. 600 to Rs. 650.

As explained below (paragraph 167) the opium expenditure has increased even more than the Revenue, and the net Opium Revenue in India is Rx. 33,000 below the Estimate for 1894-95.

134. The Salt Revenue fell off seriously in 1893–94; it was, however, anticipated that the fall would be only temporary, and the Budget of 1894–95 provided for a normal amount. This estimate has been fully realised, and the Revised Estimate now provides for an increase of Rx. 16,500 over the Budget of that year. The Budget Estimate for 1895–96 provides for a further increase

increase of Rx. 48,600, which is made up of increases in India, Burma, and Madras, and decreases in Bombay and Bengal, where the improvement during the current year has been largest and may not be maintained next year.

135. In the case of Stamps the usual progressive increase has been realised during 1894-95, the Revised providing for an excess of Rx. 58,600 over the Budget Estimate of the year. The Budget of 1895-96 provides for a further increase of Rx. 27,800, the only considerable increase being one of Rx. 18,000 in the North-Western Provinces and Oudh, where there has been a large falling-off of Rx. 30,000 from the Budget of 1894-95, some portion of which, it is expected, will be recovered in 1895-96; the Budget figure for that Province is even now Rx. 12,000 below that for 1894-95.

136. As explained above (paragraph 98), the Excise Revenue in 1894-95 is expected to exceed the Budget by Rx. 195,500. The Budget, therefore, for 1895-96, which exceeds that of 1894-95 by Rx. 216,700, really provides only for the very moderate increase of Rx. 21,200 over the Revised Estimate of the preceding year.

137. The increase of Rx. 128,700 under Provincial Rates is made up principally of increases of Rx. 86,000 in Madras, and Rx. 20,700 in the North-Western Provinces and Oudh. The improvement in Madras is due partly to the village cess collections being made for the whole year, and not for nine months only as in 1894-95 (see paragraph 99 of Financial Statement for 1894-95), and partly to the causes which have led to increased Land Revenue in that Presidency. In the North-Western Provinces and Oudh the increase is largely due to suspensions carried forward from the current year, as in the case of Land Revenue (paragraph 132).

138. Of the total increase of Rx. 1,941,800 under Customs, the sum of Rx. 1,515,000 is due to the new duties on Cotton imposed in December 1894. The remainder of the increase is mainly due to the greater productiveness of the new duties imposed in March 1894. The distribution of the duties between the various detailed heads is shown in the table in paragraph 172.

139. Under Assessed Taxes the improvement in the Revised Estimate (see paragraph 100) is repeated in the Budget of 1895-96, with a very small further advance of Rx. 5,900.

140. Of the increase under Post Office, an improvement of Rx. 31,200 has already been secured in the Revised Estimate of 1894-95. The balance of Rx. 61,300 represents the normal annual progress, the rate of which is increasing year by year. There is, of course, increased expenditure to accompany the increased Revenue, but the net Revenue under this head is making steady progress (*see* paragraph 180).

141. The Estimate of Railway Revenue provides for an increase of Rx. 49,500 under Guaranteed Railways, and of Rx. 1,061,900 under State Railways. For State Railways the improvement in 1894-95 has been so marked, especially in the case of a few Railways (see paragraph 102), that it is not considered safe to estimate the Revenue for 1895-96 at the high figure provided in the Revised; the Estimate for 1895-96 accordingly allows for ordinary progress on most lines, but for a reduction on the lines where the increase during the current year has been unusually large; but on the whole it falls short of the Revised by only Rx. 132,500. As regards the Guaranteed Railways, the Estimate anticipates that the whole of the falling-off during the current year will be rather more than recouped in 1895-96.

142. The Land Revenue due to Irrigation is expected to rise in Madras by Rx. 29,700, in the Punjab by Rx. 20,400, and in Bombay by Rx. 11,100, for reasons which are explained in detail below (see paragraph 192). In the North-Western Provinces it remains stationary.

143. In the Sterling Revenue in England there are no large increases or decreases, and the total difference between the estimates is only 2,200*l.*, the main cause of which is a decrease of 5,000*l.* under Interest, owing to the low rate now prevailing in London.

144. The principal increases of expenditure in India in 1895-96 are—

	Imperial.	Provincial and Local.	Total.
	Rx.	Rx.	Rx.
Refunds	91,800	1,300	93,100
Opium	500,000		500,000
Law and Justice (Courts)	—2,400	85,400	83,000
Police	—19,900	74,000	54,100
State Railways:			
Working Expenses	348,300	—53,100	295,200
Interest	188,300	400	188,700
Irrigation:			
Major Works	69,000	3,900	72,900
Minor Works	50,100	18,200	68,300
Military Works	146,500		146,500
Civil Works	127,600	33,200	160,800
Army	901,300		901,300
Total Rx.	2,400,600	163,300	2,563,900

145. For Exchange Compensation the total amount taken in the Budget of 1895–96 is Rx. 1,456,500, calculated at the percentage of Rs. 19-3-8, the equivalent of a market rate of 13*d.*, as against Rx. 1,113,300, calculated at the percentage of Rs. 14-4-7, the equivalent of 14*d.* to the rupee, in the Budget of 1894–95. The increase of Rx. 343,200, which is spread over all the Budget heads, is not, however, proportionate to the increase in the percentage, because, as explained above (*see* paragraph 108), the expenditure on this account was over-estimated in 1894–95. Compared with the Revised Estimate of 1894–95, the increase is Rx. 220,600. Some details of the charge on this account are given in the following table, and are compared with the corresponding figures for 1894–95 :—

Heads of Account.	Budget Estimate, 1894-95.	Revised Estimate, 1894-95.	Budget Estimate, 1895-96.	Increase of Budget 1895-96, over Budget 1894-95.
Civil Departments (including Post Office and Marine):	Rx.	Rx.	Rx.	Rx.
Land Revenue	81,800	79,200	93,700	11,900
Law and Justice—Courts of Law	115,500	123,200	148,400	32,900
General Administration	61,500	70,600	80,100	18,600
Police	53,600	60,300	71,800	18,200
Other Heads	180,400	194,600	243,200	62,800
Total Civil Departments	492,800	527,900	637,200	144,400
Army	465,800	518,600	610,000	144,200
State Railways—Working Expenses	50,800	90,100	87,800	37,000
Other Public Works	103,900	99,300	121,500	17,600
Grand Total	1,113,300	1,235,900	1,456,500	343,200

The only head under which more than proportionate increase occurs, is State Railways, the reason for which has already been explained in paragraph 108. But under all the heads indicated in the table the increased charge due to the fall in the rate of exchange is considerable.

146. The increase in the case of Refunds occurs in Bombay (Rx. 81,300) and Bengal (Rx. 7,900). That in Bombay is due entirely to the provision made for refunds and drawbacks in connection with the Customs Duties, the provision

for

for Customs refunds having been raised from Rx. 7,400 to Rx. 89,800. Out of this increase of Rx. 82,400, it is expected that Drawbacks on Cotton Duties, Customs and Excise, will amount to Rx. 50,000 ; the remainder is due to provision for the Customs refunds on other goods having been taken in the Budget for 1894–95 by deduction from the Revenue (*see* paragraph 109). The increase in Bengal also is due to the provision for Customs Duties, namely, Rx. 5,000 for Cotton Duties, and Rx. 3,400 for other Customs Duties.

147. The increase under Opium is due to provision having been made for extra charges of Rx. 400,000 for the enhanced price of Rs. 6 instead of Rs. 5 a seer paid to the cultivators, and of Rx. 100,000 for the purchase of Malwa Opium for the manufacture of Excise Opium. A succession of six bad seasons, the last being the worst, has necessitated the action taken in both these cases, it being absolutely necessary to raise the price in order to prevent a wholesale reduction in the area cultivated with poppy, while the total absorption of the Opium Reserve rendered it advisable to purchase Malwa Opium for excise purposes, and thus set free a larger amount of the Bengal crop for building up again a suitable reserve.

148. Under Law and Justice the principal increase occurs in the North-Western Provinces and Oudh (Rx. 33,100), the greater part of which is nominal, being due to a transfer of certain charges from Land Revenue to this head. The only other variations of any magnitude are in Lower Burma (Rx. 16,600) and Bengal (Rx. 15,600). In Lower Burma provision is made for a second Additional Sessions Judge and his Establishment (about Rx. 5,800), and for the remuneration of copyists (Rx. 1,400) previously paid out of fees which were not brought to account. In Bengal the difference is mainly due to the increase in Exchange Compensation Allowance.

149. In Police expenditure there is almost everywhere an increase; the largest occurring in the North-Western Provinces and Oudh (Rx. 19,800), Madras (Rx. 20,600), and Bengal (Rx. 17,500). In the North-Western Provinces and Oudh provision is made for general re-organization of the District Police, and in Madras for a similar re-organization of the Railway Police. In Bengal extra expense is anticipated for Station Charge Allowances, for Police Clothing, and for the new Military Police at Gnatong. In all these Provinces the increase is also swelled by the enhanced charge for Exchange Compensation Allowance. In Upper Burma a satisfactory reduction of Rx. 16,900 under this head is distributed between District and Special Police ; reductions in the Police Force are being effected, and the estimates provide for a reduction of two companies in the Military Police, and for a smaller number of Mounted Police.

150. Under State Railways the increase in working expenses is a necessary concomitant of the increased revenue (*see* paragraph 111); while the larger interest charges, transferred from the head of Ordinary Debt, are the result of the increased capital expenditure.

151. The increase under Major Irrigation Works is made up of Rx. 44,000 for working expenses and Rx. 28,900 for Interest. Of the increase in working expenses Rx. 33,000 occurs in the Punjab, where it is more than covered by the improvement in receipts (*see* paragraph 130). The excess in Interest is due to the cause mentioned in the preceding paragraph, namely, the increased Capital Expenditure, which necessitates the transfer of a larger amount of interest from the head of Ordinary Debt.

152. The increase under Minor Irrigation Works occurs chiefly in Bombay (Rx. 36,900), Madras (Rx. 44,300), and the Punjab (Rx. 13,800), and there is, on the other hand, a reduction in Lower Burma (Rx. 28,300). The increase in Bombay is chiefly due to the provision made for special repairs to flood damages in Sind.

153. Under Military Works the expenditure was cut down as a measure of economy to help the Government towards securing equilibrium between Revenue and Expenditure. It has not been found possible to maintain the expenditure at this low rate for another year. Of the total amount of Rx. 1,166,300 provided under this head in England and India, only Rx. 297,600 are available for new works.

154. Of the increase under Civil Works, Rx. 127,600 is Imperial. The small balance of Rx. 33,200 is the net outcome of increases and decreases in the Provincial and Local Expenditure in various provinces.

The Imperial Expenditure under this head was cut down last year with the object mentioned in the preceding paragraph, and in this case also a larger expenditure is absolutely necessary, unless efficiency is to be sacrificed, maintenance and repair grants having been reduced in some cases in the current year in order to keep within the Budget Grant. Even with the increase now estimated the Imperial Expenditure does not come up to the standard of 1893–94.

The Provincial expenditure was also materially curtailed in 1894–95, partly to enable the Local Governments to make the contributions which were required to produce some approach to equilibrium in the Imperial Finances. In some cases the Local Governments have been able to provide for a slightly increased rate of expenditure in 1895–96, but others, whose arrangements were too far advanced to allow of their reducing their expenditure this year, are obliged to do so next year, so that the net result is a very small increase, as shown above. The increases and decreases are nowhere large, except in Lower Burma, where the Provincial and Local expenditure is reduced by Rx. 59,300.

155. Under Army the increase of Rx. 901,300 is largely due to the fall in Exchange which affects Exchange Compensation Allowance and the British soldiers' pay. The following table compares the actuals for 1893–94 and the Estimates for 1894–95 and 1895–96, distinguishing the above charges :—

	Accounts, 1893–94.	1894–95.		1895–96, Budget.	Excess of Budget for 1895–96 over Budget for 1894–95.
		Budget.	Revised.		
	Rx.	Rx.	Rx.	Rx.	Rx.
Exchange compensation allowance -	264,620	465,800	518,600	610,000	144,200
Additional payment to British soldiers on account of exchange (approximate) - - - - - -	852,200	776,500	1,134,300	1,156,400	379,900
Balance of expenditure in India - -	14,848,016	14,926,900	14,465,700	15,304,100	377,200
TOTAL EXPENDITURE IN INDIA -	15,964,836	16,169,200	16,118,600	17,070,500	901,300

It will be seen that, eliminating the items which increase directly with the fall in exchange, the increase provided in the Budget for 1895–96 is only Rx. 377,200. Of this difference the sum of Rx. 180,000 is due to the proposed increase in the pay of the Native Sepoy, and Rx. 150,000 to the provision for warlike preparations in connection with the disturbances in Chitral, thus leaving only a small balance of increase of Rx. 47,200 to be explained. This small increase is, however, the net outcome of several increases and decreases.

The principal increases and decreases, excluding those already mentioned, are as follows :—

INCREASES.	Rx.
Re-organisation of Army Commands and Staff in India (Rx. 10,000 was provided on this account in 1894–95) -	11,300
No deduction made in 1895–96 for short strength of the British Army, which is now over strength - - -	17,900
Revision of establishment of lance ranks in the British Army - - - - - - - - - -	13,400
Increased provision for good conduct pay to British troops and smaller deduction for probable savings - - -	31,000
Increase in the number of reservists in the Native Army -	13,000
Increased payments for re-mounts due to the price being fixed at 45*l.* each converted at the prevailing market rate of exchange - - - - - - - - - -	13,000
Increased strength of volunteer corps - - - - -	10,400
Increased cost of hutting Native Troops - - - - -	18,500
Increased provision for special Expeditions, namely :—	
Waziri Expedition - - - - - - - -	90,000
Other Expedition charges (Rx. 69,000 *minus* Rx. 40,000 provided in 1894–95) - - - - -	29,000
TOTAL - - -	247,500

Decreases.	Rx.
Fall in the price of articles of food - - - - -	164,000
Absence of special provision made in 1894–95 for replacing the mobilisation stores destroyed by fire at Peshawar -	38,200
Smaller provision for clothing materials - - - -	12,000
Smaller provision for Ordnance stores - - - -	18,500
Total - - -	232,700

156. The only heads under which there are important decreases of expenditure in India in the Budget of 1895–96 are the following:—

	Rx.
Assignments and Compensations - - - - -	37,300
Interest on ordinary debt - - - - - -	783,200
Special Defences - - - - - - - -	43,500

157. Under Assignments and Compensations the decreases occur in the Central Provinces (Rx. 21,800), and in Bombay (Rx. 15,900). In the former special compensation to zemindars for resumption of abkari rights had to be provided in the Budget of 1894–95; this is not a recurring charge, and disappears from the estimates of 1895-96. In Bombay the decrease occurs in the charges brought to account as Alienated Land Revenue, which were overestimated in 1894–95.

158 Of the amount against Interest a saving of Rx. 565,600 is, as shown below, due to the conversion proceedings, against which, however, must be taken as a set-off the diminished receipt of Rx. 40,800 on account of the interest on the Currency Reserve (see paragraph 128):—

Saving due to Conversion Proceedings.

	Rx.
Saving of ½ per cent. on estimated amount of conversions into guaranteed and unguaranteed loans - - -	462,800
Saving of 4 per cent. on amounts discharged or outstanding unpaid - - - - - - - - -	102,800
Total - - -	565,600

A further reduction of Rx. 217,600 under this head is due to transfers to Interest on debt chargeable against Railways and Irrigation (*see* paragraphs 150 and 151).

159. Under Special Defence Works the expenditure is decreasing, for the reasons explained in last year's Financial Statement (*see* paragraph 126 of that statement).

160. The expenditure in England is expected to exceed that of 1894–95 by 80,300*l.* The only changes of any importance are savings of 24,600*l.* under Interest, and of 19,700*l.* under Telegraphs, and increases of 27,800*l.* under Marine, of 29,000*l.* under Political, and of 33,000*l.* under Pensions. The first saving is the net outcome of decreases of 197,500*l.* in the interest on India Bills, and of 10,000*l.* in the interest on Temporary Loans from the Bank of England, and of an increase of 182,900*l.*, being one year's interest on 6,000,000*l.* India 3 per cent. Stock issued to the public, and on 96,000*l.* created pursuant to the Maharaja Dhuleep Sing's Estate Act. This Act authorised the creation of 72,000*l.* of India 4 per cent. Stock as a provision for the Maharaja's younger children on his decease; such stock having, however, ceased to exist, and the intention having been to make provision for a certain yearly income for the children, 96,000*l.* of 3 per cent. stock has, with the consent of the trustees, been substituted for the stock specified in the Act, and has now been created and issued. The saving under Telegraphs is due, as in the case of the Revised Estimate of 1894–95, to lower indents for Stores. The increased charge under Marine is due to an increased contribution towards the expenses of Her Majesty's ships employed in the Indian Seas, the decision of the Arbitrator being that India must pay a share of the cost incurred by the Admiralty in the defence of Indian waters; and that under Political to the provision made for a possible visit of His Highness the Amir of Afghanistan to England.

England. The pensionary charge continues to increase year by year, but the increase this year is somewhat larger than usual. Under Army Expenditure in England the total variation is very small, and there are no items which require special mention here.

161. Of the increase of Rx. 1,951,400 in the exchange on expenditure in England, Rx. 57,400 are due to the increased charges in England, and the balance of Rx. 1,894,000 is due to the fall in the rate from 14*d.* to 13·09*d.* the rupee.

SECTION IV.—EXAMINATION OF THE ESTIMATES UNDER THE MORE IMPORTANT HEADS OF REVENUE AND EXPENDITURE.

LAND REVENUE.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95.		1895-96, Budget.
				Budget.	Revised.	
REVENUE.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Including that due to Irrigation:						
India, General - -	138,673	139,065	175,044	159,400	152,700	154,100
Central Provinces - -	701,507	695,038	692,222	798,300	740,000	897,300
Upper Burma - - -	582,561	662,178	722,809	770,000	825,000	794,000
Lower Burma - - -	1,559,475	1,605,479	1,609,106	1,685,800	1,686,800	1,671,800
Assam - - - - -	466,900	472,950	561,728	613,200	630,000	621,000
Bengal - - - - -	3,867,957	3,849,609	3,871,432	3,850,000	3,870,000	3,885,000
North-Western Provinces and Oudh.	6,045,467	6,044,912	6,054,373	6,075,800	5,879,300	6,286,800
Punjab - - - - -	2,346,567	2,356,434	2,445,535	2,477,900	2,435,700	2,499,700
Madras - - - - -	4,422,693	5,157,847	5,488,492	5,371,600	5,482,100	5,596,900
Bombay - - - - -	4,507,223	4,644,122	4,715,794	4,770,100	4,686,500	4,892,700
TOTAL - - Rx.	24,638,963	25,627,634	26,336,535	26,572,100	26,388,100	27,299,300
Shown under XXIX.—Irrigation	673,189	722,306	746,926	868,500	879,400	929,700
Shown under I.—Land Revenue	23,965,774	24,905,328	25,589,609	25,703,600	25,508,700	26,369,600
EXPENDITURE.						
District Administration - -	2,209,498	2,245,258	1,836,660	2,367,500	1,836,400	1,876,300
Other Charges - - -	1,625,628	1,691,087	2,184,953	1,819,300	2,269,800	2,312,800
TOTAL - - - Rx.	3,835,126	3,936,345	4,021,613	4,186,800	4,106,200	4,189,100

162. The distribution of the Land Revenue among the several Provinces is shown in the above table. Almost all the Provinces exhibibit the usual progressive increase under this head. The only points requiring notice are that postponements of revenue in the Central Provinces, in the North-Western Provinces, in the Punjab, and in Bombay, have reduced the Revised Estimate for 1894-95,

1894-95, and raised the Budget Estimate for 1895-96 to an abnormal amount; that the increase in Madras is due partly to new settlements in Tanjore, Godavari, Trichinopoly, and Malabar, and partly to the extension of irrigation, and to the enhanced water rate leviable in Godavari and Kistna; that the high figure in the Revised for both Upper and Lower Burma is due to the collection in the current year of specially large arrears, which will not recur in 1895-96; and that in the latter province a temporary check is stated to have been given to the normal increase in cultivation by a combination during the past two years among the purchasers, and the consequent low range of prices offered to the cultivators.

As far as the expenditure heads are concerned, a comparision with past years before 1893-94 and with the Budget of 1894-95 is affected by the transfer of a share of certain District Establishments in the North-Western Provinces from this head to Law and Justice, and by a transfer of the charges for Kanungo Establishment from the sub-head District Administration to the sub-head Land Records and Agriculture, which is included under Other Charges.

Opium.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
Revenue.						
Bengal—Sale of Opium - - Rx.	5,949,660	6,093,265	4,808,376	4,526,100	5,321,400	4,843,800
Bombay—Pass Fees - - - „	1,839,270	1,670,730	1,600,530	1,665,100	1,800,000	1,790,000
Excise, Opium, and other Revenue „	223,450	229,185	218,665	202,400	200,600	226,800
Total - - - Rx.	8,012,380	7,993,180	6,627,571	6,393,600	7,322,000	6,860,600
Expenditure.						
Payments to Cultivators - - Rx.	1,620,631	1,388,583	1,657,010	1,989,000	1,250,000	2,392,400
Other Charges - - - - Rx.	231,141	212,798	217,488	264,900	393,800	361,500
England - - - - £.	726	696	1,278	800	1,400	700
Exchange - - - - Rx.	315	419	831	600	1,200	600
Total - - - Rx.	1,861,813	1,602,496	1,876,607	2,255,300	1,646,400	2,755,200
Statistics.						
Bengal:						
Chests sold - - - - -	56,250	48,852	43,353	42,300	39,780	37,260
Average Price - - - Rs.	1,058	1,247	1,109	1,070	1,338	1,300
Chests produced - - -	44,522	33,679	40,506	—	33,329	—
Chests in balance, 31st March -	40,765	34,592	31,745	—	25,294	—
Reserve, 31st December - -	18,770	9,265	1,814	—	1,280	—
Bombay:						
Chests passed for Export - -	30,654½	27,845½	26,675½	27,751	29,535½	27,538½
Rate of Duty - - - Rs.	600	600	600	600	600 & 650	650

163. The Budget Estimate of receipts in 1894-95 from Bengal Opium was based on the assumption that 42,300 chests would be sold at an average of Rs. 1,070 a chest. The crop was, however, so poor that, there being no reserve, it became necessary to reduce the number of chests sold for the last six months of the year to 3,105 chests a month, thus making the total sales for the year 39,780. So great, however, has been the rise in price that it has much more than made up for the fall in the number of chests sold. The

course of prices is indicated by the following table of the average rates realised at each monthly sale :—

	Rs.		Rs.
April - - -	1,089	October - -	1,361
May - - -	1,199	November - -	1,370
June - - -	1,204	December - -	1,480
July - - -	1,301	January - -	1,523
August - - -	1,403	February - -	1,540
September - -	1,321	March - - -	1,327

The average price realised for the whole year has been Rs. 1,337-11, or an excess of Rs. 267-11 a chest over the price taken as the basis of the estimate.

The fall at the March sale was very marked. It remains to be seen whether it was due to a cessation of the specially high prices in January and February caused by speculation in China, or to a specially low price in March caused by speculations on the coming crop. Probably it had to do with both these causes. But, whatever may have been the cause, it is not safe to take for the Budget of 1895–96 a higher rate than Rs. 1,300 a chest.

164. The quantity of Bengal Opium to be sold during 1895–96 is taken for the purposes of the estimate at 37,260, being the amount settled for the year 1895 by the notification in June last. The quantity to be sold in the last three months of the year will not, however, be settled till June next.

Though the number of chests is reduced by 5,040, the higher rate gives an increase of Rx. 317,700 in the Budget for 1895–96.

165. The exports of Malwa Opium have fluctuated considerably from month to month ; but on the whole the export is expected in 1894–95 to exceed the standard of the last two years and to approximate to that of 1891–92. The price of Malwa Opium both in India and in China rose so considerably during the year (though not to the same extent as that of Bengal Opium) that it was considered advisable in December to raise the rate of duty per chest from Rs. 600 to Rs. 650. This rise in the rate of duty has brought in Rx. 27,900 during the current year. For next year it is not considered safe to repeat the comparatively high results of 1894–95, but with the higher rate of duty the estimate very nearly comes up to the Revised Estimate of the current year.

166. The decrease in the Budget Estimate for 1894–95 on account of the sale of Excise Opium was, as explained in the last Financial Statement, due to the special measures adopted for restricting the use of Opium in Burma. The fall in that province has been slightly beyond what was estimated, and this accounts for the slight decrease in the Revised Estimate. The increase in the Budget Estimate is due to the raising of the price at which Bengal Opium is issued for excise purposes from Rs. 7-4 to Rs. 8-8 with effect from 1st July 1895, in consequence of the rise in the price paid to the cultivator.

167. The expenditure on an average crop was provided for in the estimate for 1894–95. The crop was far below the average, and the expenditure in India has been below the estimate by the very large sum of Rx. 610,100. The saving would have been even larger, had not some expenditure (Rx. 130,000) been incurred in the purchase of Malwa Opium in order to set free a larger amount of the crop for the preparation of provision opium. The series of bad crops, extending over six successive years, not only absorbed the whole of the reserve of opium, but also threatened to render the cultivation unpopular, and so to result in a large reduction in the area cultivated with poppy. It was accordingly decided, before the last sowings commenced, to raise the price paid to the cultivator from Rs. 5 to Rs. 6 a seer. This accounts for the large increase in the estimate of expenditure for 1895–96, which, however, only provides as before for a normal crop, together with Rx. 100,000 for the purchase of Malwa Opium, to take, as far as possible, the place of the Bengal Opium issued to the Excise Department.

SALT.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Northern India (*a*)	1,971,135	2,118,090	1,838,656	2,013,300	1,876,400	1,949,800
Burma (*b*)	161,015	162,213	167,590	150,900	119,300	150,300
Bengal (*b*)	2,404,487	2,410,119	2,374,133	2,380,000	2,470,000	2,459,500
Madras (*a*)	1,772,937	1,721,224	1,629,776	1,800,000	1,800,000	1,819,700
Bombay (*a*)	2,326,608	2,244,458	2,218,721	2,285,000	2,380,000	2,315,000
TOTAL Rx.	8,636,182	8,656,104	8,228,876	8,629,200	8,645,700	8,694,300
Charges	459,034	458,707	474,405	518,600	497,600	534,100

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported salt.

168. The falling-off in revenue which occurred in 1893-94 was expected to be only temporary, and this has proved to be the case, the Revised Estimate providing for a total revenue in excess of that of 1891–92, and very little short of that of 1892-93. The Budget for 1895–96 provides for a further slight increase.

As regards expenditure, the principal saving in the Revised occurs in Madras under the head of Salt Purchase and Freight. The large increase in the Budget of 1895–96 also occurs mainly in that Presidency, and is stated to be required in view of the necessity for affording full scope for the expansion of departmental operations which have hitherto not been fully developed.

STAMPS.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
REVENUE.						
Court Fees and Plain Paper Rx.	2,887,774	2,995,369	3,063,463	3,079,100	3,154,000	3,184,000
Commercial and other Stamps „	1,297,281	1,374,200	1,368,399	1,405,200	1,387,200	1,385,600
Other Revenue „	77,101	78,971	77,489	77,500	79,200	78,600
TOTAL Rx.	4,262,156	4,448,540	4,509,351	4,561,800	4,620,400	4,648,200
Charges:						
India Rx.	89,531	91,170	92,424	95,000	93,300	95,200
England (Stores) £.	34,105	31,277	38,875	49,000	47,000	55,600
Exchange Rx.	14,811	18,817	25,263	35,000	39,200	46,300
TOTAL Rx.	138,447	141,264	156,562	179,000	179,500	197,100

169. Stamp Revenue shows considerable progress on the whole, the largest contributions to the increase in the Revised being made by Bengal (Rx. 65,000) and Madras (Rx. 30,000). There has, however, been a falling-off in the North-Western Provinces (Rx. 30,000), Punjab (Rx. 16,000), and Central Provinces (Rx. 8,000). The Budget generally provides for a repetition of the Revised, the small increase being due to the expectation that some portion of the ground lost in the current year in the three Provinces just named will be recovered next year.

Excise.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
Revenue.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Bengal	1,113,397	1,159,458	1,214,817	1,210,000	1,255,000	1,270,000
North-Western Provinces	524,303	549,877	572,202	570,000	580,000	580,000
Madras	1,213,964	1,211,146	1,287,466	1,290,000	1,350,000	1,370,000
Bombay	1,025,462	1,025,696	1,071,765	1,070,000	1,098,000	1,098,000
Other Provinces	1,240,138	1,296,266	1,242,323	1,177,600	1,230,100	1,216,300
Total	5,117,264	5,242,443	5,388,573	5,317,600	5,513,100	5,534,300
Charges	190,097	193,013	193,375	205,200	197,100	210,100

170. Excise Revenue has made considerable progress during 1894–95, and the progress has occurred everywhere except in the Central Provinces. The largest excesses over the Budget of 1894-95 have occurred in Madras (Rx. 60,000), Bengal (Rx. 45,000), Lower Burma (Rx. 33,000), and Bombay (Rx. 28,000). In Lower Burma the Budget provided for a considerable falling-off, owing to the restrictive measures already alluded to in connection with Opium, but the reduction has proved less than was anticipated. The Budget of 1895-96 provides for a slight improvement over the Revised of 1894-95, chiefly in Madras and Bengal.

Provincial Rates.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
Revenue.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
District Local Funds	1,979,688	2,058,273	2,080,643	2,082,400	2,110,100	2,129,800
Provincial Cesses, including Famine Insurance.	680,736	693,011	690,918	699,200	691,700	701,100
Village Service and Patwaris	738,922	840,972	608,886	618,300	638,600	695,400
Other Cesses	103,491	114,242	134,124	125,400	122,800	127,700
Total	3,502,837	3,706,498	3,514,571	3,525,300	3,563,200	3,654,000
Charges	58,703	55,659	53,809	53,000	56,800	55,900

171. The Provincial rates continue to progress with the Land Revenue. The variations under village service and patwaris rates are explained above (*see* paragraph 137).

CUSTOMS.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
Import Duties—	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Arms, Ammunition, and Military Stores.	31,734	31,162	35,133	31,250	35,000	33,000
Liquors—Spirits	518,838	541,191	529,505	612,000	560,000	543,000
Other sorts	70,746	69,062	66,046		61,000	59,000
Articles of Food and Drink	–	–	18,871	246,000	296,000	292,000
Chemicals, Drugs, Medicines, &c.	501	450	3,498	62,950	94,000	91,000
Silver Bullion and Coin	–	–	3,697	100,000	355,000	250,000
Other Metals and Manufactures of Metals.	–	–	36,230	210,500	208,000	206,000
Oils	174,662	202,309	263,868	392,000	310,000	369,000
Manufactured Articles	–	–	30,987	393,000	504,000	511,500
Raw Materials and Unmanufactured Articles.	–	–		66,000	121,000	118,000
Cotton Goods	–	–	–	–	354,100	1,440,000
	796,481	844,174	987,835	2,113,700	2,898,100	3,912,500
Deduct—Refunds*	–	–	–	70,000	–	–
TOTAL IMPORT DUTIES	796,481	844,174	987,835	2,043,700	2,898,100	3,912,500
Excise Duty on Cotton Goods	–	–	–	–	12,500	75,000
Export Duties—						
Rice	881,957	743,356	663,026	801,300	842,700	780,200
Land Customs and Miscellaneous	22,850	30,103	31,512	27,900	49,700	47,000
GRAND TOTAL	1,701,288	1,617,633	1,682,373	2,872,900	3,803,000	4,814,700
Charges	136,363	140,634	143,736	209,500	187,500	210,300

* Taken as expenditure except in the Budget Estimate of 1894-95.

172. The above table gives full details of the heads under which the Customs Revenue has been collected. The variations between the realisations and the estimate in 1894-95 have been explained above (paragraph 99).

As regards the Estimate for 1895-96, it will be seen that it generally follows the Revised, the only important differences being that—

(1.) A full year's collection of Cotton Duties is taken.

(2.) The duty on silver is estimated on an import of 5 crores, it not being considered safe to assume the continuance of the high scale of import prevailing in the current year.

(3.) Some improvement is taken against Oils, on the expectation that Petroleum imports will show some recovery from the check which resulted from the imposition of additional duties in March last.

(4.) Export duties are estimated at a fair average amount.

Assessed Taxes.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95.		1895-96, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Deduction by Government from Salaries, Pensions, and Interest payments.	412,228	416,786	435,138	441,500	459,200	448,800
Other Collections - - - - -	1,240,595	1,269,355	1,304,033	1,299,400	1,334,100	1,350,400
Total - - -	1,652,823	1,686,141	1,739,171	1,740,900	1,793,300	1,799,200
Charges - - - - - - -	29,577	30,171	31,060	32,700	30,700	31,800

173. The revenue from Assessed Taxes makes slow but steady progress. The principal advance this year has occurred in Madras (Rx. 19,500) and Bengal (Rx. 20,000), but there has been no retrogression anywhere except in the Central Provinces, and there it is very slight.

Forest.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95.		1895-96, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - - - -	1,490,582	1,591,332	1,723,022	1,646,000	1,648,000	1,642,200
Expenditure - - - - -	843,926	865,225	906,407	984,400	934,100	995,100
Net - - -	646,656	726,107	816,615	661,600	713,900	647,100

174. The increase in Revenue in the Revised as compared with the Budget is the net outcome of several increases and decreases in the various Provinces, but the principal decrease occurs in the Central Provinces, where it was due to an over-estimate of the Revenue. It was originally estimated that the Revenue in those Provinces would show a large improvement of Rx. 26,600; but this anticipation has not been realised, and the Revised is now taken at about the same figure as the Actuals of 1893-94. The Budget for 1895-96 in the Central Provinces allows for an improvement of Rx. 11,300 over the Revised. The other Provinces either show an improvement or make no material change in the Revised for 1894-95 and in the Budget for 1895-96.

175. The expenditure shows a tendency to increase, but there are generally savings on the estimates, and it is not unlikely that the net produce of both years will be better than indicated by the above figures.

It must be observed, however, that the Government of India have recently laid down a policy of leniency in the supply of forest produce for domestic use, and in the matter of grazing in forest lands. In giving effect to this policy, a certain amount of revenue will be relinquished, and part of it, probably, during 1895-96. It is, however, impossible to estimate the amount beforehand, and it is believed that the decrease will be to some extent covered by corresponding reductions in preventive establishment.

INTEREST.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
RECEIPTS.						
India - - - - Rx.	795,588	830,418	858,921	839,700	812,100	795,900
England - - - £.	58,466	24,543	10,041	10,000	3,500	5,000
Exchange - - - Rx.	25,389	14,766	6,525	7,100	2,900	4,200
TOTAL - - - Rx.	879,443	869,727	875,487	856,800	818,500	805,100
EXPENDITURE.						
Interest on Debt:						
India - - - Rx.	4,168,622	4,267,841	4,273,814	4,199,000	4,500,000	3,633,400
Deduct charged to—						
Irrigation - „	1,109,678	1,138,386	1,165,558	1,193,500	1,193,800	1,222,400
Railways - „	3,004,576	3,169,522	3,346,574	3,498,700	3,520,600	3,687,400
Balance charged to Interest - - Rx.	54,368	—40,067	—238,318	—493,200	—214,400	—1,276,400
England - - - £.	2,639,288	2,433,496	2,505,280	2,682,700	2,612,000	2,658,100
Exchange - - - Rx.	1,146,144	1,464,053	1,628,094	1,916,200	2,176,600	2,215,100
Interest on other Obligations:						
Savings Bank Balances Rx.	306,227	339,362	367,966	325,800	326,000	336,700
Other Items—including Exchange - - „	169,149	177,419	183,347	179,900	179,100	182,000
TOTAL - - - Rx.	4,315,176	4,374,263	4,446,369	4,611,400	5,079,300	4,115,500
Debt outstanding, 31st March:						
Sterling - - - £.	107,404,143	106,683,767	108,113,792	116,418,467	110,109,492	110,109,492
Rupee Debt;						
4 per Cent. - - Rx.	89,448,897	100,471,572	100,706,332	100,691,572	5,556,909	5,436,809
3½ per Cent. - - „	52,180	52,180	3,551,280	3,551,280	96,130,200	96,130,200
Other Debt - - „	13,191,240	2,413,800	1,288,466	1,161,800	2,658,769	1,888,769
Savings Bank Balances - „	8,886,372	9,774,656	10,322,541	10,782,156	10,604,141	11,043,641

176. The reduction of the receipts in India in the Revised is mainly the outcome of a reduction of Rx. 40,000 on account of the postponement till November 1896 of the payment of the instalment of interest on the Kidderpore Dock Loan, which fell due in November 1894, and of an increase of Rx. 20,400 in the profits on the note circulation, due to the payments made on conversion of the currency investment.

The conversion operations also account for the decrease in the Budget of 1895-96. The reduction by one-half per cent. of the interest payable on the currency investment reduces the profits of the note circulation by Rx. 40,800.

177. The reduction in the receipts in England has already been explained (*see* paragraphs 105 and 143).

178. The alterations in the charge for Interest on Debt, both in India and in England, have also been fully explained elsewhere (*see* paragraphs 110, 121, 158, and 160, and Section VI.)

179. The Budget of 1894–95 provided for a diminution in the charge for interest on Savings Bank Balances owing to the reduction in the rate of interest from $3\frac{3}{4}$ to $3\frac{1}{8}$ per cent. It seems probable that the actuals will approximate pretty closely to the Budget. Provision is made for a small increase in 1895–96, as the balances continue to advance every year.

Post Office, Telegraph, and Mint.

	Accounts, 1891–92.	Accounts, 1892–93.	Accounts, 1893–94.	1894–95. Budget.	1894–95. Revised.	1895–96, Budget.
Post Office.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue	1,446,355	1,488,875	1,561,263	1,595,000	1,626,200	1,687,500
Expenditure	1,493,359	1,518,545	1,557,457	1,608,100	1,618,000	1,662,700
Net	—47,004	—29,670	+3,806	—13,100	+8,200	+24,800
Telegraph.						
Revenue Account:						
Revenue	919,335	937,743	959,096	993,800	1,008,700	1,035,800
Expenditure	643,550	673,039	684,782	752,500	740,200	769,900
Net	+275,785	+264,704	+274,314	+241,300	+268,500	+265,900
Capital Expenditure	195,170	202,034	217,351	167,100	81,000	171,100
Mint.						
Revenue	210,046	310,335	227,355	67,700	32,500	57,700
Expenditure	97,109	112,007	91,080	68,100	52,400	53,800
Net	+112,937	+198,328	+136,275	—400	—19,900	+3,900

180. The Post Office net revenue continues to increase; the Budget for 1894–95 provided for a net charge, but it is now expected that there will be a small net revenue, which is raised a little in the Budget for 1895–96.

181. The Telegraph net revenue, excluding Capital Expenditure, shows an improvement of Rx. 27,200 in 1894–95; this is mainly due to the message traffic having exceeded expectation, and to a reduction of the Establishment charges.

The Budget for 1895–96 provides for an increase in the receipts, and for a return to the higher scale of charges provided in 1894–95. The net revenue is thus somewhat larger than that estimated in 1894–95, though it falls below the Revised Estimate. The Capital Expenditure has been reduced in the current year, owing to the measures taken to secure financial equilibrium by enforcing economy in optional expenditure. This expenditure is raised in the Budget to allow of a larger development of the telegraph lines which has been checked in the current year.

182. The Mints being now closed to the coinage of silver for the public, the only revenue of importance in the current year is the gain on copper coinage. The decreased revenue expected in the Revised is due to a smaller amount of copper coin having passed into circulation than was anticipated. The Budget for next year is based on a smaller issue of copper coins than that on which the Budget for the current year was based, though a small improvement over the Revised is taken, and it also provides for the revenue (Rx. 11,300) which will accrue from the projected coinage at Bombay of a British dollar for use in Eastern Trade. The arrangements for this coinage are now complete; the dies are expected to arrive shortly, and on their receipt the Mint is prepared to commence operations as soon as silver is tendered for coinage.

Civil Departments.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
General Administration:						
India - - - Rx.	1,433,423	1,462,538	1,519,132	1,546,000	1,581,000	1,570,900
England - - - £.	249,532	255,545	265,812	252,900	274,600	251,900
Exchange - - Rx.	108,362	153,742	172,742	180,600	228,800	209,900
Law and Justice:						
Courts - - - Rx.	2,840,007	2,877,112	2,996,460	3,043,900	3,069,200	3,128,500
Jails - - - Rx.	899,732	918,060	924,053	960,000	914,900	957,700
Police - - - - Rx.	3,868,610	3,873,645	3,919,785	4,043,000	3,980,600	4,097,100
Marine:						
Imperial (a) - - Rx.	470,219	703,088	595,675	547,600	553,700	611,400
Provincial - - Rx.	157,732	154,021	158,581	150,400	141,300	156,500
Education - - - Rx.	1,424,796	1,437,024	1,471,761	1,545,300	1,495,900	1,587,300
Ecclesiastical - - - Rx.	161,596	168,107	176,602	186,700	185,200	195,400
Medical - - - - Rx.	884,684	941,642	979,122	1,005,600	1,001,300	1,044,600
Political - - - Rx.	767,711	842,117	965,828	984,400	966,500	1,057,000
Scientific and Minor Departments - - - Rx.	587,438	473,271	492,287	512,800	509,400	511,300
Total - - - Rx.	13,853,842	14,259,912	14,637,840	14,959,200	14,902,400	15,379,500

(a) Includes Upper Burma charges.

183. The tendency of the expenditure under these heads is to increase with the growing demands for improved administration. The growth of expenditure is not, however, great or rapid under any individual head. The only points requiring notice are that the falling rate of exchange has enhanced the charge for exchange compensation allowance under all the heads; that absolutely necessary police re-organisation has increased the charges under police in several provinces; and that under general administration the expenditure, both in India and in England, is swelled this year by the inclusion of the amounts paid to the Presidency Banks and the Bank of England for the work done in connection with the conversion of the Rupee Debt (*see* paragraph 110).

Miscellaneous Civil Charges.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
Territorial and Political Pensions - - - Rx.	557,959	541,592	508,443	485,000	473,100	474,400
Civil Furlough and Absentee Allowances:						
India - - - Rx.	657	1,335	1,548	1,000	1,800	1,000
England - - - £.	192,228	207,826	197,521	208,000	223,000	218,000
Exchange - - Rx.	83,477	125,033	128,362	148,600	185,800	181,700
Superannuation Allowances and Pensions:						
India - - - Rx.	848,506	881,190	910,547	933,900	949,200	962,600
England - - - £.	1,726,046	1,810,546	1,784,051	1,779,500	1,797,300	1,812,500
Exchange - - Rx.	749,557	1,089,270	1,159,393	1,271,100	1,497,800	1,510,400
Stationery and Printing - Rx.	602,885	647,973	683,181	679,800	696,300	697,500
Miscellaneous - - - Rx.	285,307	233,075	273,831	247,100	273,400	245,600
Total - - - Rx.	5,046,622	5,537,840	5,646,877	5,754,000	6,097,700	6,103,700

184. The main increase under the heads in this group occurs in the charge for exchange on furlough allowances and pensions, which, if paid in England, are fixed either in sterling or in rupees convertible into sterling at a fixed rate. Independently of exchange, however, the tendency of the charges under this group is to rise slightly, pensions and furlough allowances with the increasing establishments, and stationery and printing with the increasing amount and complexity of public business. The first head is an exception, since territorial and political pensions gradually diminish as the older pensioners die out. Under miscellaneous the increase is in the English charges and exchange, principally owing to a larger supply of stores for Miscellaneous Departments.

Famine Relief and Insurance.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95.		1895-96,
				Budget.	Revised.	Budget.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Famine Relief- - - -	23,423	70,841	496	10,000	9,100	5,000
Construction of Protective Railways - - - - -	484,795	984,469	1,060,954	-	-	-
Construction of Protective Irrigation Works - - -	77,931	60,793	56,351	45,000	42,400	50,000
Reduction of Debt - - -	682,170	-	-	-	-	-
Total - - -	1,268,319	1,116,103	1,117,801	55,000	51,500	55,000
Net Charge on account of the Bengal-Nagpur and the Indian Midland Railways shown in the Railway Revenue Account	231,681	383,897	371,768	368,800	392,400	366,800
Total Expenditure Chargeable to the Famine Grant - -	1,500,000	1,500,000	1,489,569	423,800	443,900	421,800

185. The direct expenditure on famine relief has occurred mainly in the Central Provinces (Rx. 5,600) and Bengal (Rx. 3,000), and in the latter province alone is provision made for such expenditure in the Budget.

186. As explained in last year's Financial Statement, financial exigencies necessitated in 1894-95 the cessation of the expenditure on railways, and the curtailment of the expenditure on irrigation works from the famine grant. The position remains unchanged, and in the Budget of 1895-96 it is possible to provide under this head only for the small expenditure on direct famine relief, and for the renewal of the small grant of Rx. 50,000 for protective irrigation works.

Railway Revenue Account.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96. Budget.
State Railways:—						
Gross Receipts - Rx.	16,411,934	15,814,807	16,679,107	16,939,900	18,134,400	18,001,900
Working Expenses - Rx.	8,214,480	7,944,868	8,263,975	8,401,800	8,813,000	8,697,000
Interest and other Charges—						
India - - - Rx.	3,012,015	3,180,215	3,358,968	3,518,200	3,534,900	3,702,600
England - - - £.	3,539,017	3,578,193	3,589,593	3,584,900	3,584,300	3,585,100
Exchange - - - Rx.	1,536,862	2,152,731	2,332,751	2,560,700	2,986,900	2,987,600
Net Result - - - Rx.	+ 109,560	—1,041,200	—666,180	—1,120,700	—784,700	—970,400
Guaranteed Railways:—						
Net Traffic Receipts - Rx.	3,493,118	3,244,413	3,383,812	3,445,500	3,039,000	3,495,000
Surplus Profits, Interest, and other Charges—						
India - - - Rx.	794,087	614,020	607,753	655,200	638,700	620,200
England - - - £.	2,114,159	2,145,297	2,154,720	2,154,500	2,154,600	2,161,300
Exchange - - Rx.	918,100	1,290,665	1,400,277	1,538,900	1,795,500	1,801,100
Net Result - - - Rx.	—333,228	—805,569	—778,938	—903,100	—1,549,800	—1,087,600
Other Receipts - - Rx.	32,994	17,883	34,054	23,000	38,900	39,900
Other Charges - - Rx.	125,190	18,166	124,439	129,100	121,500	130,100
Statistics:—						
State Railways—						
Capital Expenditure to 31st March:—						
Expenditure by Government - - -	105,423,578	110,202,627	114,277,052	117,781,633	118,907,152	122,616,552
Expenditure by Companies - - -	22,709,508	23,513,080	24,261,335	25,236,280	24,953,635	25,673,335
Total - - -	128,133,086	133,715,707	138,538,387	143,017,913	143,860,787	148,289,887
Miles open on 1st April -	12,757	13,106	13,461	13,893	13,806	14,166
Guaranteed Railways—						
Miles open on 1st April -	2,588	2,588	2,587	2,587	2,587	2,587

187. The improvement of the State Railway revenue in the current year and the falling-off in the Guaranteed Railway Receipts have already been mentioned (*see* paragraph 102). The basis of the Budget Estimate for 1895–96 has also been explained (*see* paragraph 141). The Railway Revenue on the whole shows steady and almost continuous progress from year to year; the estimates are made on the usual cautious basis, and, though it is not safe to estimate in the case of each individual railway for a recurrence of the high receipts of this year, it is not unlikely, unless the seasons are unfavourable, that the results for 1895–96 will be considerably in excess of the Budget now framed.

IRRIGATION.

IRRIGATION.	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
MAJOR WORKS.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue :						
Direct Receipts - - -	1,404,737	1,510,730	1,349,685	1,391,600	1,356,300	1,350,300
Land Revenue - - -	673,189	722,306	746,926	868,500	879,400	929,700
Expenditure :						
Working Expenses - -	761,445	793,951	788,957	769,200	814,000	813,200
Interest - - - - -	1,109,678	1,138,386	1,165,558	1,193,500	1,193,800	1,222,400
Net - - -	+ 206,803	+ 300,699	+ 142,096	+ 297,400	+ 227,900	+ 244,400
MINOR WORKS.						
Receipts—Direct - -	194,114	185,866	199,798	203,700	199,900	204,300
Expenditure - - -	1,073,896	1,008,142	908,052	946,700	974,000	1,014,900
STATISTICS OF MAJOR WORKS.						
Capital Outlay to 31st March	28,320,703	28,923,097	29,679,280	30,308,898	30,336,480	31,106,480

188. Under Major Works Direct Receipts the Revised shows a falling-off of Rx. 35,300, which is due to a reduction of Rx. 35,200 in the Punjab, mainly the result of the rainfall on lands traversed by the Sirhind Canal having reduced the demand for canal water. In Bengal there is a small reduction of Rx. 4,000, the collections on the Midnapur and Orissa Canals having fallen off. In the North-Western Provinces, on the other hand, there is a small increase of Rx. 3,700, the Budget Estimate having been over-cautions. The falling-off in the Budget for 1895-96 has already been explained in paragraph 130.

189. The increase in the Revised in Working Expenses occurs mainly in the Punjab (Rx. 27,000) on the Western Jamna, Bari Doab, and Chenab Canals, and in Bombay (Rx. 18,200) on the Desert Canal, Eastern Nara Works, and Mahaswad Tank. The excess expenditure was for urgent works, and was specially sanctioned by the Government of India.

190. Under Minor Works Receipts the falling off in the Revised occurs mainly in Imperial, and is due to a falling off in Baluchistan and the Punjab. The Budget for next year in the Punjab, however, provides for an even higher revenue than the Budget of the current year, owing mainly to the extension and development of irrigation from the Shahpur Canals.

The expenditure on these Minor Works has been increased in the Revised, mainly owing to special sanctions of Rx. 26,900 for repairs to embankments damaged by floods in Sind, and of Rx. 6,700 for certain urgent works in connection with the Muzaffargarh embankment and for the completion of the new Sahiwal Canal in the Punjab.

191. The irrigation revenue is expected in 1895-96 to exceed the Revised Estimate of 1894-95 by Rx. 48,700. This amount is distributed between Imperial

Imperial on the one hand and Provincial and Local on the other in the table below :—

	Imperial.	Provincial and Local.	Total.
Direct Receipts—	Rx.	Rx.	Rx.
Major Works	81,100	—87,100	—6,000
Minor Works	4,300	100	4,400
Share of Land Revenue—			
Major Works	50,300	—	50,300
Total	135,700	—87,000	48,700

192. The principal increase in the Budget of 1895-96, as compared with the Revised Estimate of 1894-95, under the share of Land Revenue due to irrigation, occurs in Madras (Rx. 20,600), and is due chiefly to an enhancement of water-rates in the Godavari and Kistna deltas, the recent revision of settlement in the Cauvery delta, and the probable extension of irrigation from the Kistna delta and the Sangam anicut systems and the Rushkulya project. There are also increases of Rx. 9,800 in the Punjab, chiefly in anticipation of increased credits to the Chenab Canal, and of Rx. 19,900 in Bombay, due partly to the anticipation of a return to normal revenue and partly to the growth of irrigation on the Eastern Nara project.

193. The financial results obtained during 1892-93 and 1893-94 from Irrigation Works for which capital and revenue accounts are kept are given below :—

	1892-93.	1893-94.
Major Works:	Rx.	Rx.
Capital Outlay—		
Direct and Indirect { During the year	614,290	780,660
Direct and Indirect { To end of year	30,250,620	31,031,280
Revenue Account—		
Gross Revenue	2,268,054	2,130,271
Maintenance and Working	880,694	875,620
Net Revenue	1,387,360	1,254,651
Interest	1,138,382	1,165,554
Net Profit	248,978	89,097
Percentage of net Revenue of the year on the Capital Outlay to end of the year	4·59	4·04
Minor Works:		
Capital Outlay—		
Direct and Indirect { During the year	99,452	85,512
Direct and Indirect { To end of year	4,736,103	4,821,615
Revenue Account—		
Gross Revenue	481,567	560,806
Maintenance and Working	252,643	228,781
Net Revenue	228,924	332,025
Percentage of net Revenue of the year on the Capital Outlay to end of the year	4·83	6·89

The figures in this Table are taken from the administrative accounts. On Minor Works interest on the Capital Outlay is not charged, as the Capital expenditure is incurred from Revenue.

BUILDINGS AND ROADS.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96. Budget.
MILITARY WORKS:	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
In Upper Burma - -	152,182	169,437	150,448	100,000	97,500	91,800
Elsewhere - - -	1,062,336	1,027,362	1,030,160	906,800	911,000	1,074,500
Deduct receipts - -	49,794	45,274	45,894	46,800	56,800	45,800
Net - - -	1,164,724	1,151,525	1,134,714	960,000	951,700	1,120,500
CIVIL WORKS:						
Imperial—						
Expenditure - - -	881,358	772,731	836,288	661,100	652,700	796,300
Receipts - - - -	50,807	56,438	59,264	55,800	61,300	62,300
Provincial—						
Expenditure - - -	2,461,115	2,162,357	2,116,812	2,026,000	1,999,600	2,077,000
Receipts - - - -	271,319	286,329	292,660	266,200	290,200	275,800
Local—						
Expenditure - - -	1,651,761	1,714,593	1,677,144	1,795,200	1,691,700	1,777,400
Receipts - - - -	255,204	266,147	276,546	260,400	273,500	268,500

194. The principal variations under this head occur in the Imperial expenditure, which was, owing to financial exigencies, largely reduced last year both under Military and Civil Works. Larger grants have been made for 1895-96 as explained in paragraphs 153 and 154, but the Imperial expenditure is still considerably below the level of 1893–94. The estimates for the two years 1894–95 and 1895–96 for Provincial and Local Expenditure vary but slightly on the whole, though in the various Provinces considerable differences occur.

195. Full details of the proposed appropriation of the outlay provided for in the Provincial Civil Works Estimates are not available at present, but the distribution of the expenditure in the past two years and in the Budget Estimate of the current year is given below:—

	Accounts, 1892–93.	Accounts, 1893-94.	Budget, 1894-95.
	Rx.	Rx.	Rx.
Erection of new buildings - - - -	631,276	621,016	499,549
Construction of roads - - - -	230,421	214,447	149,566
Works of public improvement - - -	93,331	45,254	57,793
Repairs of buildings - - - - -	167,192	181,792	179,025
Repairs of roads - - - - -	461,645	489,511	464,008
Repairs of works of public improvement -	27,085	29,294	26,980
Reserve - - - - - - -	—	—	15,280
Establishment - - - - - -	482,943	496,503	545,479
Tools and plant - - - - -	42,106	26,039	36,152
Suspense - - - - - - -	—2,804	—12,162	24,000
Miscellaneous expenditure by Civil officers in charge of Public Works - - -	29,162	25,118	28,168
TOTAL - - -	2,162,357	2,116,812	2,026,000

Army Services.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
Effective Services.						
Regimental Pay and Allowances:						
India - - - Rx.	7,081,464	7,527,119	7,889,626	7,864,500	8,298,800	8,604,500
England - - - £.	1,018,679	1,327,172	1,070,454	1,118,000	1,097,200	1,100,000
Exchange - - - Rx.	442,374	798,460	695,651	798,600	914,300	916,700
Total - - Rx.	8,542,517	9,452,751	9,655,731	9,781,100	10,310,300	10,621,200
Less—Receipts - - Rx.	16,586	14,155	12,018	12,300	8,600	7,900
Net - - Rx.	8,525,931	9,438,596	9,643,713	9,768,800	10,301,700	10,613,300
Commissariat:						
India - - - Rx.	3,681,012	3,664,059	3,402,755	3,585,000	3,080,200	3,392,900
England - - - £.	47,266	42,567	30,864	22,100	22,100	19,700
Exchange - - - Rx.	20,526	25,610	20,057	15,800	18,400	16,400
Total - - Rx.	3,748,804	3,732,236	3,453,676	3,622,900	3,120,700	3,429,000
Less—Receipts - - Rx.	373,355	412,173	443,707	432,000	450,700	456,800
Net - - Rx.	3,375,449	3,320,063	3,009,969	3,190,900	2,670,000	2,972,200
Ordnance:						
India - - - Rx.	724,316	790,195	830,074	912,200	836,500	906,300
England - - - £.	841,464	593,772	557,264	448,500	405,700	419,000
Exchange - - - Rx.	365,416	357,228	362,147	320,400	338,100	349,200
Total - - Rx.	1,931,196	1,741,195	1,749,485	1,681,100	1,580,300	1,674,500
Less—Receipts - - Rx.	108,683	114,658	104,350	94,100	176,400	94,800
Net - - Rx.	1,822,513	1,626,537	1,645,135	1,587,000	1,403,900	1,579,700
Other Heads:						
Expenditure - - Rx.	4,034,978	3,736,616	3,743,641	3,722,000	3,985,500	4,265,900
Receipts - - - Rx.	205,578	243,463	199,801	183,800	258,100	189,900
Net - - Rx.	3,829,400	3,493,153	3,543,840	3,538,200	3,727,400	4,076,000
Non-effective Services:						
India - - - Rx.	940,775	931,156	938,666	923,200	919,700	922,400
England - - - £.	2,149,070	2,388,297	2,250,122	2,350,500	2,300,600	2,334,600
Exchange - - - Rx.	933,261	1,496,860	1,462,276	1,678,900	1,917,200	1,945,500
Total - - Rx.	4,023,106	4,756,313	4,651,064	4,952,600	5,137,500	5,202,500
Less—Receipts - - Rx.	76,202	79,871	90,350	87,500	100,800	102,200
Net - - Rx.	3,946,904	4,676,442	4,560,714	4,865,100	5,036,700	5,100,300
Grand Total:						
India - - - Rx.	15,741,062	15,589,091	15,964,836	16,169,200	16,118,600	17,070,500
England - - - £.	4,559,513	4,888,796	4,417,792	4,427,800	4,372,200	4,430,500
Exchange - - - Rx.	1,980,026	2,941,224	2,870,969	3,162,700	3,643,500	3,692,100
Total - - Rx.	22,280,601	23,419,111	23,253,597	23,759,700	24,134,300	25,193,100
Less—Receipts - - Rx.	780,404	864,320	850,226	809,700	994,600	851,600
Net - - Rx.	21,500,197	22,554,791	22,403,371	22,950,000	23,139,700	24,341,500

196. The general course of the Army Expenditure in India in 1894–95 and 1895–96 has been dealt with in paragraphs 120 and 155 of this statement, and it is necessary here only to make a few remarks in explanation of the detailed variations under the sub-heads entered in the preceding table.

197. Under Regimental Pay and Allowances the Revised shows in the Indian Expenditure an increase of Rx. 434,300. This is chiefly accounted for by the increased charge of Rx. 357,800 for exchange on the British soldiers' pay (see paragraph 120); the British Cavalry and Infantry have also been in excess of strength, which accounts for about Rx. 35,000 more of the increased charge, and a large proportion of the extra charge of Rx. 52,800 for exchange compensation allowance falls under this sub-head.

The Budget Estimate exceeds the Revised under this grant by Rx. 305,700, of which Rx. 180,000 is due to the provision for increasing the Native Sepoys' pay, while Rx. 22,100 for British soldiers' pay and Rx. 54,300 for exchange compensation allowance are due to the further drop in exchange.

198. Under Commissariat Charges in India the Revised shows the large saving of Rx. 504,800. There have been some small savings under Establishments, but the bulk of the saving under this head is due to the prevailing low price of food grains and other supplies which have affected both the cost of rations for men and food for animals and the payments of compensation in respect of dearness of such rations and food. The Budget for 1895–96 shows an increase of Rx. 312,700 over the Revised, as it is not considered safe to assume that the present low prices will continue throughout the year. There is a saving, however, of Rx. 192,100 as compared with the Budget of 1894–95, which is chiefly due to the present estimate being based upon lower prices than that of 1894-95.

199. Under Ordnance there is a considerable saving in the Revised of Rx. 75,700; the amounts required for local purchase of stores appear to have been over-estimated, partly owing to the favourable rates prevailing during the year. There is also a saving of Rx. 16,500 in the cost of manufacturing establishments, which is in part due to the introduction of a new system of paying them, whereby their pay for February will be disbursed in April instead of March. The Budget provides for a repetition generally of last year's estimates. The Receipts under this head have risen owing to specially large issues of Stores.

200. Under "Other Heads" the only charge meriting notice is that for the Waziri Expedition and Demarcation Commission, which amounts to Rx. 202,500 in 1894–95 and Rx. 107,400 in 1895–96. The Budget for 1895-96 also provides for Rx. 150,000 for special warlike preparations in connection with the disturbances in Chitral.

201. In the Sterling Expenditure the main differences between the Budget and Revised for 1894-95 have been explained above (paragraph 121).

Special Defence Works.

202. The following table shows the expenditure on "Special Defence Works":—

	Rx.
To end of 1886–87	150,409
1886–87	325,626
1887–88	456,017
1888–89	789,595
1889–90	689,481
1890–91	491,837
1891–92	604,848
1892 93	458,060
1893–94	324,974
1894–95, Budget Estimate Rx. 152,300; Revised Estimate	184,600
1895–96, Budget Estimate	154,700
	4,630,147

203. The expenditure in 1894-95 is expected, apart from exchange, to amount to about the figure estimated in the Budget for that year. The Budget for 1895–96 differs but little from that for the current year.

204. The total expenditure on Special Defence Works being estimated at Rx. 5,030,000, there will remain for expenditure in future years Rx. 399,853, on the assumption that the amounts provided in the Estimates of 1894–95 and 1895–96 are spent.

SECTION V.—CAPITAL EXPENDITURE ON PUBLIC WORKS NOT CHARGED AGAINST REVENUE.

205. Financial necessities having required the temporary suspension of the Famine Grant, the amount provided for Capital Expenditure on Railways and Irrigation Works in the Budget of 1894–95 was restricted to Rx. 4,000,000, made up of the ordinary grant of Rx. 3,500,000 and the special grant of Rx. 500,000 sanctioned by the Secretary of State to enable companies to undertake new lines of railway and extensions. In the course of the year, however, the Government of India came to the conclusion that they could profitably apply to railway construction some portion of the excess balances which had accumulated in their treasuries in consequence of the failure of the Secretary of State's drawings in the previous year, and, while fully alive to the necessity of doing nothing which would defeat the measures taken in connection with the currency, they thought that a moderate additional amount might be expended from the balances without endangering the success of their currency policy. They accordingly drew up a programme which provided for the expenditure during 1894–95 and the two succeeding years of a total sum of Rx. 14,000,000 to be expended from State funds on construction of railways and canals, to be increased by any amount that might be available from the Famine Grant during the two later years. This total sum of 14 crores was distributed between the three years in the following manner: —

	Rx.
1894–95	5,200,000
1895–96	4,400,000
1896–97	4,400,000
	14,000,000

and the amounts in the two later years were to be increased by any amount available from the Famine Grant up to Rx. 1,000,000 a year.

206. The Revised Estimate for 1894–95 accordingly provides for an expenditure of Rx. 5,200,000, distributed as follows:—

	Rx.
Railways	4,610,000
Irrigation Works	590,000
	5,200,000

and, the Famine Grant being still held in abeyance, the Budget Estimate for 1895–96 provides for an expenditure of Rx. 4,400,000, which is distributed as follows:—

	Rx.
Railways	3,700,000
Irrigation Works	700,000
TOTAL	4,400,000

48.—STATE RAILWAYS—CONSTRUCTION.

207. The Budget grant for 1893–94 amounted to Rx. 3,854,300 as under:—

	Rx.
Normal amount provided under "Not charged to Revenue"	3,500,000
Deduct,—	
Provision for Irrigation Works	750,000
Leaving for Railways	2,750,000
Add,—	
For Bareilly-Rampur-Moradabad Railway	50,000
Total provided under 48	2,800,000
Provided under 34	1,054,300
	3,854,300

208. The Revised Estimate provided for a total expenditure of Rx. 4,027,400 as under:—

	Rx.
48—State Railways—Construction	2,947,700
34—Construction of Protective Railways	1,079,700
TOTAL	4,027,400

against which the actual expenditure incurred amounted to Rx. 4,000,522, thus falling short of the Revised Estimate by Rx. 26,878, and exceeding the Budget provision by Rx. 146,222. Of moneys placed at his disposal up to the 30th November 1893 (date of despatch of indents from India), the Secretary of State was unable to spend 223,229*l.*, which, with exchange and charges upon it, amounted to Rx. 371,981.

209. The amounts provided for Railway Construction in the Estimates are, as explained above, Revised Estimate 1894–95 Rx. 4,610,000, and Budget Estimate 1895–96 Rx. 3,700,000, the distribution of which is as follows:—

	Revised, 1894–95.	Budget, 1895–96.
EXPENDITURE BY STATE AGENCY.	Rx.	Rx.
Open Lines:		
North-Western	204,700	80,000
Oudh and Rohilkhand, including Lucknow-Rai Bareli	80,300	150,000
Eastern Bengal	64,500	120,000
Burma	34,700	—8,900
Warora Colliery	43,400	18,400
Umaria Colliery	5,200	5,200
Frontier Railway Reserve Material	1,400	—
Petroleum Operations, Baluchistan	—200	—
Nagpur-Chhitisgarh Depreciation Account	2,800	—
TOTAL	436,800	364,700
Lines under Construction:		
East Coast	768,000	500,000
Mu Valley	304,600	120,000
Bareilly-Rampur-Moradabad	86,200	—
North-Western Railway—Gradient Improvement Works	109,300	—26,100
Mari-Attock	80,000	150,000
Mushkaf-Bolan	622,000	351,400
Karachi-Kotri (doubling line)	—	103,400
Kotri-Rohri	247,000	500,000
Wazirabad Lyallpur	50,000	170,000
Cawnpore-Lucknow-Gogra (Linking-up scheme)	105,300	140,000
TOTAL	2,372,400	2,008,700
TOTAL STATE AGENCY	2,809,200	2,373,400

	Revised, 1894-95.	Budget, 1895-96.
EXPENDITURE BY AGENCY OF COMPANIES.	Rx.	Rx.
Open Lines:		
East Indian, including Jherria Extension	354,100	310,000
Rajputana-Malwa System, including Palanpur-Deesa	160,000	70,000
Tirhoot	50,500	70,000
Bhopal	14,000	7,500
Wardha Coal		10,500
Dhond and Manmad	5,100	28,600
South Indian	20,000	85,000
Guntakal-Mysore Frontier	1,000	5,000
Bezvada Extension	500	—
TOTAL	605,200	586,600
Lines under Construction:		
Godhra-Rutlam	193,400	35,000
Assam-Bengal Land	127,500	195,000
Assam-Bengal Construction	733,900	305,000
Rutlam Ujjain	30,000	240,000
Bezvada-Madras (Madras-Ennore Section)	17,000	30,000
TOTAL	1,101,800	805,000
TOTAL COMPANIES' AGENCY	1,707,000	1,391,600
TOTAL ALLOTMENTS	4,516,200	3,765,000
Add or *deduct*,—Reserve or over-allotments	83,200	—200,000
GRANT AVAILABLE	4,599,400	3,565,000
Add,—Increase in stores balance	10,600	—
Add,—Indents thrown forward to 1895-96	—	135,000
TOTAL GRANT	4,610,000	3,700,000

49.—IRRIGATION—CONSTRUCTION.

210. The figures of Accounts and Estimates for Capital Expenditure on Irrigation Works not charged to Revenue are :—

Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95.		Budget, 1895-96.
			Budget.	Revised.	
Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
729,664	531,091	681,684	550,000	590,000	700,000

The difference of Rx. 40,000 between the Budget and Revised has been transferred from the extra grant made for Railways in the course of the year. The Budget grant provides for increased allotments, chiefly for Bombay.

SECTION VI.—CONVERSION of FOUR-per CENT.-RUPEE DEBT.

211. The 4 per Cent. Rupee Debt of the Government of India, dischargeable at three months' notice, was at the beginning of 1894-95 distributed over eight different loans, all of which were held on practically the same terms, the only difference being in the half-yearly dates for payment of interest. The outstanding balances of these loans on the 30th June 1894, distributed between England and India, are shown in the following statement:—

	India.	England.	TOTAL.
	Rx.	Rx.	Rx.
1. Loan of 1832-33 - - - - -	513,600	103,600	617,200
2. Loan of 1835-36 - - - - -	1,360,300	199,400	1,559,700
3. Loan of 1842-43 - - - - -	24,401,600	2,914,800	27,316,400
4. Loan of 1854-55 - - - - -	7,942,300	*16,506,000	24,448,300
5. Transfer Loan of 1st May 1865 - -	32,015,900	3,519,800	35,535,700
6. Reduced Loan of 16th January 1879 -	3,840,100	1,776,700	5,616,800
7. Mysore Family Loan - - - -	50,000	- -	50,000
8. East Indian Railway Commuted Stock -	5,400	- -	5,400
TOTAL - - - Rx.	70,129,200	25,020,300	95,149,500

* Includes Rx. 1,598,900 Coupon loan held on the Indian Register.

Of, the amount held in India of the loan of 1842-43, stock to the value of Rx. 8,159,500 formed the investment of the Paper Currency Reserve, and was thus under the control of Government. The outstanding balance of that loan in the hands of the public in India and England was thus Rx. 19,156,900.

212. On the date mentioned above three Notifications issued with the object of initiating measures for the conversion of these loans from 4 per cent. to 3½ per cent. debt. The first Notification (No. 3257), gave formal notice of the discharge of the loan of 1842-43 on 1st November 1894; but it also conveyed to holders the offer of an option, to be exercised on or before the 28th July, of transferring their holdings to a new 3½ per cent. loan bearing the same title and subject to the same conditions as the existing loan, save only that it would be guaranteed against discharge before 1st August 1904. If this offer was accepted, the reduction of interest was to take effect only from the 1st August 1895, but the transfer was to be effected at once, the difference of interest up to that date being paid in anticipation. To facilitate the conversion proceedings, new notes were not at once issued, but the old notes were to be enfaced with a memorandum of the reduction of interest to 3½ per cent. and of the guarantee against discharge before 1st August 1904. The second Notification (No. 3258) offered the same option, though not under notice of discharge, to the holders of notes in the loans of 1854-55 and 1st May 1865 and in the Reduced loan of 1879; while a third Notification (No. 3259), prohibited transfers from one 4 per cent. loan to another, but offered the same choice of conversion to holders of notes in the loans of 1832-33 and 1835-36, subject to the condition that the notes were transferred to the 3½ per cent. loan of 1st May 1865.

213. The Notifications were published simultaneously in England, and notes tendered for conversion were received by the Bank of England and disposed of there. In India notes were accepted for conversion at all Public Debt Offices and Treasuries, and there was, therefore, some inevitable delay in ascertaining, even approximately, the amounts tendered for conversion.

214. The result of this first stage of the operations was that, of the 1842-43 loan, Rx. 23,421,200 in India and Rx. 2,558,700 in England, total Rx. 25,979,900, were

were converted, while the optional conversions of the other loans were ascertained on the 10th August to have amounted to about 1,400 lakhs. It is not possible to give the exact amount of these latter loans converted under the Notifications of June 30th, because, as will be seen later, the offer in their case was renewed on precisely the same terms, and it has not been practicable to maintain separate accounts of the amounts coming in under the earlier and under the later offer.

215. The information in the possession of Government in the beginning of August, both in respect of the compulsory and optional conversions, thus seemed to justify further proceedings. And accordingly, as the second step in the conversion, two Notifications were issued on the 13th August. The first (No. 4092) notified for discharge on 1st December 1894 the Calcutta portion of the loan of 1st May 1865; but offered the same terms of conversion as before, save that the reduction in the rate of interest took effect from 1st February 1895 instead of 1st of August, the terms now offered being thus ¼ per cent. worse than those originally put forward. This offer, however, remained practically inoperative till after the 27th August, for simultaneously a second Notification (No. 4093) was issued, renewing absolutely, as regards all loans except that of 1842–43, the offer made on June 30th. These Notifications were immediately followed on 18th August by a Notification (No. 4165) notifying for discharge on 1st December the two small loans numbered 7 and 8 in the list in paragraph 211. They were offered the same terms as the holders of the Calcutta portion of the loan of 1st May 1865, on condition of transferring their holdings to that loan.

216. The amounts converted on the terms offered on June 30th under both the original offer and the offers mentioned in the preceding paragraph are as follows:

	India.	England.	Total.
	Rx.	Rx.	Rx.
Loan of 1832-33	114,400	60,100	174,500
Ditto 1835-36	455,100	106,300	561,400
Ditto 1842-43	23,421,200	2,558,700	25,979,900
Ditto 1854-55	4,192,300	7,869,400	12,061,700
Ditto 1865	27,329,000	2,206,800	29,536,700
Ditto 1879	1,825,800	905,200	2,731,000
Mysore Loan and East Indian Railway Stock	55,200	—	55,200
Total	57,393,900	13,706,500	71,100,400

217. The second offer still remained open for the Calcutta portion of the 1865 loan till 15th September, and under it Rx. 593,600 more were tendered. But, in the meantime, the satisfactory result, as far as the optional conversions of the other loans were concerned, led us to take the third step in the conversion, which was to notify on 1st September (No. 4426) for discharge on 31st December the unconverted balance of the 4 per cent. loan of 1854–55, with an option of conversion as before. The terms, however, were still less favourable, the reduction of interest taking effect from 31st December 1894 if the notes were tendered on or before the 17th September, and from June 30th if they were tendered after that date, but on or before 3rd October. It was immediately followed on the 3rd September by two Notifications (Nos. 4460 and 4461), which offered to the holders of the unconverted portions of the other 4 per cent. loans, up to 17th September, conversion on the same terms as were admissible up to the same date to holders of notes of the loan of 1854–55. The paper of the two small loans of 1832–33 and 1835–36 was, as before, convertible only by transfer to the 3½ per cent. loan of 1865.

 218. These

218. These Notifications brought in almost the whole balance of the 1854–55 loan and very considerable amounts of the other loans, the figures being as follows :—

	India.	England.	Total.
	Rx.	Rx.	Rx.
1832–33	332,000	14,800	346,800
1835–36	344,500	14,400	358,900
1854–55 :			
Before 17th September	3,901,400	7,027,700	11,056,500
After 17th September	127,400		
1865	2,575,500	477,700	3,053,200
1879	1,640,600	301,700	1,942,300
Total	8,921,400	7,836,300	16,757,700

219. The final step in the conversion proceedings was taken by the issue on 20th September of two Notifications (Nos. 4770 and 4771) notifying for discharge on December 31st all balances of the 4 per cent. loans which had not already been made liable to discharge by any of the previous Notifications, and offering conversion till 3rd October on the terms which were still open to holders of the 1854–55 loan, the two small loans being treated specially as before.

220. Under these Notifications the following amounts came in :—

	India.	England.	Total.
	Rx.	Rx.	Rx.
1832-33	15,400	17,800	33,200
1835–36	33,000	12,200	45,200
1865	445,400	483,600	929,000
1879	160,000	398,800	558,800
Total	653,800	912,400	1,566,200

221. The original balances, the total amount converted into the guaranteed 3½ per cent. loans, and the unconverted balance outstanding for each loan in India and in England after the operations already mentioned were completed, are shown below :—

	Original Balance as in Para. 211.	Amount Converted.			Total Outstanding Balance.
		India.	England.	Total.	
	Rx.	Rx.	Rx.	Rx.	Rx.
Loan of 1832–33	617,200	461,800	92,700	554,500	62,700
Ditto 1835-36	1,559,700	832,600	132,900	965,500	594,200
Ditto 1842-43	27,316,400	23,421,200	2,558,700	25,979,900	1,336,500
Ditto 1854–55	24,448,300	8,221,100	14,897,100	23,118,200	1,330,100
Ditto 1865	35,535,700	30,944,400	3,168,100	34,112,500	1,423,200
Ditto 1879	5,616,800	3,626,400	1,605,700	5,232,100	384,700
Mysore Railway Loan and East Indian Railway Stock	55,400	55,200	—	55,200	200
Total	95,149,500	67,562,700	22,455,200	90,017,900	5,131,600

The

The figures for the loan of 1835-36 include Rx. 362,000 held on account of the Hussainabad Endowment, which will probably yet be converted under the terms originally offered. In the case of some small amounts the actual conversion has been delayed owing to defects which may yet be cured; but the balances shown above, less Rx. 362,000 of the Hussainabad Endowment, may be taken as approximately the balances which have not been converted and will not be converted into guaranteed 3½ per cent. loans.

222. On the 3rd October all these balances were absolutely liable to discharge on some fixed date, either the 1st November, the 1st December, or the 31st December 1894. As an alternative to discharge, and as a supplement to the conversion proceedings, the Government finally on October 8th offered transfer into the unguaranteed loan of 1893-94 on terms differing slightly for each loan, but involving in every case the surrender of accrued interest, and up to 9th March 1895 Rx. 2,007,800 have been converted into 3½ per cent. unguaranteed paper and Rx. 974,300 have been discharged :—

	Converted into Unguaranteed Paper.	Discharged.
	Rx.	Rx.
1832-33	1,700	7,800
1835-36	82,000	5,500
1842-43	786,200	153,200
1854-55	433,800	573,800
1865	533,300	169,800
1879	170,800	64,200
TOTAL	2,007,800	974,300

223. The balance remaining unaccounted for under each loan is as follows :—

	Rx.
1832-33	53,200
1835-36	144,700
1842-43	397,100
1854-55	322,500
1865	720,100
1879	149,700
TOTAL	1,787,300

It is probable that this balance will come in very slowly, either for discharge or conversion into unguaranteed 3½ per cents.

SECTION VII.—PROVINCIAL FINANCE.

224. The general features of Provincial and Local Finance are indicated in the Table D appended as usual to the Financial Statement.

225. The accounts for 1893–94 closed with Provincial and Local Balances of Rx. 3,695,263, against a Revised Estimate of Rx. 3,527,754, thus showing, as indicated in paragraph 86, a net improvement of Rx. 167,509. The chief difference occurred in Madras, where the Local Balance turned out to be Rx. 73,511 better than estimated, the over-estimate for local Civil Works (*see* paragraph 89) having occurred largely in that Province.

226 In1894–95 there has been a considerable improvement in Provincial and Local expenditure taken as a whole. It was estimated in the Budget that the Provincial and Local deficit, that is, the excess of expenditure which has to be charged against accumulated balances, would amount to Rx. 1,184,400; but, as indicated above (*see* paragraphs 94 and 106), the Revised shows an improvement of Rx. 160,500 in Revenue and of Rx. 369,700 in Expenditure in this branch, and it is now anticipated that the deficit will be reduced to Rx. 654,200. The expenditure from Provincial and Local balances will thus be reduced by Rx. 530,200.

The improvement occurs everywhere except in the North-Western Provinces and Oudh, where the Provincial deficit is increased from Rx. 86,600 to Rx. 149,600, and the Central Provinces, where it is increased from Rx. 57,100 to Rx. 83,700, being mainly due in both cases to suspensions of Land Revenue (*see* paragraph 104), and in Lower Burma where the deficit is increased from Rx. 258,200 to Rx. 283,200. The principal improvements occur in Bengal, Madras, and Bombay, and are as follows:—

Bengal.—Provincial deficit of Rx. 77,000 converted into surplus of Rx.74,900.

Madras.—Provincial deficit of Rx. 64,500 converted into Provincial surplus of Rx. 56,400.

Local deficit reduced from Rx. 256,600 to Rx. 73,900.

Bombay.—Provincial deficit reduced from Rx. 185,100 to Rx. 98,300.

In Bengal the improvement is mainly due to the Provincial share in the increased receipts of the Eastern Bengal Railway (*see* paragraph 102), which gives the Local Government Rx. 430,000, against Rx. 335,000 in the Budget. In Madras the Provincial Revenue and Expenditure show a general improvement, the largest being that of Rx. 37,600 under Land Revenue receipts, while there is also a lapse of Rx. 19,400 in the grant for Civil Works; the local deficit has been reduced, chiefly owing to a similar lapse of Rx. 81,600 (*see* paragraph 119), and Provincial rates also give an improved revenue of Rx. 50,400. In Bombay the expenditure generally shows savings under Civil Departments and Direct Demands upon revenue, the largest savings being under Land Revenue (Rx. 24,900), and Assignments and Compensations (Rx. 27,400).

227. In 1895–96 the Local Governments intend to spend from balances Rx. 623,000, against Rx. 1,184,400 entered in the Budget of 1894–95. Every Local Government, except that of the Central Provinces, proposes to spend a larger or smaller amount from balances, and everywhere except in Bengal and Madras the closing balance of 1895-96 is reduced to a figure not exceeding the prescribed minimum; in the Central Provinces the reduction of the balance below the prescribed minimum has been temporarily allowed for special reasons. The decrease, as compared with the previous year, is due partly to the contributions levied last year having reduced the balances at the disposal of Local Governments; this is especially the case in Lower Burma where the difference between the two years is greatest, the Provincial Deficit in that Province being estimated at Rx. 14,000, against Rx. 258,200 in the Budget of 1894–95.

SECTION VIII.—WAYS AND MEANS.—HOME TREASURY.

228. The following are the usual details of the Home Treasury transactions:—

	Budget, 1894-95.	Revised, 1894-95.	Budget, 1895-96.
Receipts.	£.	£.	£.
Council Bills	17,000,000	17,000,000	17,000,000
Permanent Debt incurred	—	6,000,000	—
Temporary Debt incurred, net	2,300,000	—	—
Capital Receipts from Railway Companies	1,915,000	371,300	3,311,500
Deposits and Advances, net	—800	3,400	—1,300
Add,—Opening Balance	959,988	1,300,564	2,446,164
TOTAL £.	22,174,188	24,675,264	22,756,364
Outgoings.			
Excess of Expenditure over Revenue	15,657,100	15,594,500	15,739,600
Expenditure not charged to Revenue	865,000	823,200	849,600
Permanent Debt discharged—			
India 4 per cent. Stock	—	4,300	—
Temporary Debt discharged, net	—	4,000,000	—
Issues to Railway Companies on Capital Account.	2,826,400	902,000	3,733,700
On account of Remittances from India, net	1,114,200	905,100	757,000
Add,—Closing Balance	1,711,488	2,446,164	1,676,464
TOTAL £.	22,174,188	24,675,264	22,756,364

1894-95. General Summary.

229. In the Budget Estimate of 1894–95 the net disbursement at the Home Treasury was taken at 18,548,500*l.*, which was to be met by the sale of Council Bills on India to the amount of 17,000,000*l.* and by temporary loans in England. The amount of drawings remains at the same figure as that shown in the Budget, but there was an improvement in the cash balances on 1st April 1894, of 340,576*l.* as compared with the Budget Estimate, and the net disbursements in the year are now expected to be 17,854,400*l.* The total increase in the closing cash balances of the year due to the above-mentioned variations should be 1,034,676*l.*, but the loans proposed in the Budget Estimate having been reduced by 300,000*l.*, the closing balance in the Revised is better than the Budget by 734,676*l.* only.

1894-95. Sterling Loans.

230. It was stated in paragraph 186 of the last Financial Statement that the gross amount of temporary loans to be raised in England in 1894–95 by means of India Bills was 8,300,000*l.*, of which 6,000,000*l.* were required for the discharge of the outstanding balance of similar loans raised in 1893-94, making the net loan 2,300,000*l.* Owing to an improvement in the cash balances on 1st April 1894 of 340,576*l.*, the Secretary of State was able to reduce the net amount of the proposed loans by 300,000*l.*, but at the same time 6,000,000*l.* out

of the outstanding temporary loans were funded, and the entries in the Revised Estimates are as follows:—

	£.
INCURRED.	
Permanent Debt—	
India 3 per Cent. Stock issued - - - - -	6,000,000
Temporary Debt—	
Temporary Loans on security of India Bills - -	2,000,000
Ditto ditto East India Bonds	1,000,000
TOTAL INCURRED - - -	£. 9,000,000
DISCHARGED.	
Temporary Debt—	
Temporary Loans on security of India Bills - -	6,000,000
Ditto ditto East India Bonds	1,000,000
TOTAL DISCHARGED - - -	£. 7,000,000
NET INCURRED - - -	£. 2,000,000

1894–95. India Bills.

231. The Temporary Loan of 2,000,000*l.* on the security of India Bills was raised early in May 1894, and has a currency of 12 months. It was issued at an average rate of interest of 1*l.* 18*s.* 6*d.* per cent. per annum.

1894–95. Permanent Debt.

232. The original intention was to borrow the whole of the requirements of the year only on loan for short periods, but the heavy fall in exchange since the publication of the Financial Statement made it inadvisable to adhere to the original intention, and on the 22nd May 1894 an advertisement was issued, inviting tenders for a loan of 6,000,000*l.* India 3 per cent. Stock, which was subscribed on the 29th of that month at an average rate of 99*l.* 18*s.* 3*d.*

233. The Temporary Loans on security of East India Bonds were taken from the Bank of England for short periods and repaid in the course of the year.

1894–95. Capital transactions with Railway Companies.

234. The capital transactions with the Railway Companies vary with the changes in the programmes of the Companies. The Estimates for 1894–95 as now prepared show a reduction in the net issues of 380,700*l.* The following statement gives the details of the transactions:—

	Budget.	Revised.
RECEIPTS.	£.	£.
Subscribed capital—		
(*a*) State Lines - - - - -	1,815,000	67,400
(*b*) Guaranteed Lines - - - -	100,000	300,000
Miscellaneous - - - - - - -	—	3,900
TOTAL - - -	1,915,000	371,300
ISSUES.		
For discharge of debentures—		
State Railways - - - - -	1,755,000	—
For Stores, Establishment Charges, &c.—		
State Railways - - - - -	455,600	393,600
Guaranteed Lines - - - - -	615,800	508,400
TOTAL - - -	2,826,400	902,000

It

It was the original intention to replace Bengal-Nagpur and Southern Mahratta Railway debentures to the extent of 1,755,000*l.* by fresh capital, but instead of this the debentures have been renewed. On the other hand, the receipts on account of Capital from the Assam-Bengal and the Bombay Baroda and Central India Railways are now expected to be 7,400*l.* and 206,000*l.* respectively more than the Budget Estimate.

As generally happens, the Estimate of the demands of the Companies for Stores, Establishment Charges, &c., proved too high.

1894-95. Deposits and Advances.

235. In the Budget Estimate it was anticipated that there would be a net payment under the head of Deposits and Advances on account of Defence Works at Aden, but, owing to the recovery from the Imperial Government of arrears of the share of the expenditure on these works, the result is now expected to be a net receipt in the year.

1894-95. Remittances to India.

236. The net reduction of 209,100*l.* in the remittances to India is made up of an increase in the receipts of 42,000*l.* and a decrease in the payments in England of 167,100*l.* The more important items of increase in the receipts are (1), 20,600*l.* on account of the sale-proceeds of securities, &c., received in respect of a portion of the legacy bequeathed by Miss Sarah Bruce towards the foundation and endowment of an Orphanage in or near Calcutta; and (2) 13,900*l.* on account of larger repayments by Her Majesty's Treasury and other Public Departments in respect of advances or services in India. As regards the payments, the Budget provision generally proved too high for (1) payments on account of Indian Money Orders; (2) Family Remittances for payment by the War Office; (3) advances to Railway Companies for purchase of stores; and (4) cost of stores for Provincial Railways.

1895-96. Home Treasury. Ways and Means.

237. The net disbursements at the Home Treasury in 1895-96, excluding Loans and Council Bills, are estimated at 17,769,700*l.*, against 18,548,500*l.* entered in the Budget Estimate of 1894-95. This reduction is due to arrangements having been made for the raising by the Assam-Bengal Railway Company of fresh capital in England to the extent of 500,000*l.*, and to an expected falling-off in the demand for stores chargeable to Native States, Provincial and Local Funds, and to Railway Companies, and in the Money Order and Family Remittances.

It has been explained above that the cash balances in the Home Treasury on 31st March 1895 are now expected to be 734,676*l.* more than the amount estimated in the Budget for 1894-95. If this excess is utilised in 1895-96 to meet a part of the net estimated disbursement of 17,769,700*l.*, it will be necessary to raise only about 17,000,000*l.* by means of Bills on India. Accordingly, it is the present intention of the Secretary of State to draw in 1895-96 17,000,000*l.* by Bills on India.

According to the programme now announced, no additions to the sterling debt will be made in the course of 1895-96, but it is intended to raise a temporary loan of 2,000,000*l.* on the security of India Bills to repay the same amount of Bills raised this year, which falls due on the 12th of May 1895.

It should be understood that, in stating the present intentions of the Secretary of State, no sort of pledge is given that he will adhere to the programme.

INDIA.

Ways and Means in India.

238. The following is a summary of the Estimate of Ways and Means in India :—

	1894-95.		1895-96.
	Budget.	Revised.	Budget.
RECEIPTS.	Rx.	Rx.	Rx.
1. Excess of Revenue in India over the Expenditure charged against it - -	26,538,900	29,580,400	28,902,100
2. Rupee Debt incurred - - - - -	—	—	—
3. Increase of the Unfunded Debt, mostly Savings Bank Deposits, net - -	490,500	360,000	522,300
4. Other items, net - - - - - -	885,100	612,100	754,300
5. *For Remittance to Secretary of State, net*	*1,107,000*	*902,800*	*754,500*
Add—Opening Balance - -	26,251,756	25,565,588	22,679,488
TOTAL - -	55,273,256	57,020,888	53,612,688
OUTGOINGS.			
6. Excess Expenditure charged to Provincial Balances - - - - - - -	1,184,400	654,200	623,300
7. Expenditure not charged to Revenue -	2,517,100	3,690,800	2,842,400
8. Rupee Debt discharged - - - -	151,000	1,200,200	890,100
9. Loans to Municipalities, &c., net - -	491,100	150,100	513,400
10. *Issues on Capital Account to Railway Companies, net* - - - - - -	*102,500*	*197,100*	*196,800*
11. Council Bills—*Sterling Amount* - -	17,000,000	15,532,300	17,706,800
12. Ditto Exchange - - -	12,142,900	12,916,700	14,777,200
Add—Closing Balance - -	21,684,256	22,679,488	16,062,688
TOTAL - - -	55,273,256	57,020,888	53,612,688

The headings in italics are connected with, and explained by, the corresponding figures of the Secretary of State's account in England. The others refer to purely Indian transactions.

239. For

239. For the Budget Estimate of 1894-95, the probable opening cash balance in India was taken at Rx. 26,251,756, but, owing partly to larger payments of Council Bills in 1893-94 than were anticipated, and partly to certain heavy withdrawals of deposits, the actual balances in the Indian Treasuries amounted to Rx. 25,565,588, or Rx. 686,168 less than the estimate. The important operations of the year 1894-95 which affect the cash balances, but for which no provision was made in the Budget, have been (1) the notification for discharge, with option of conversion into 3½ per cents., of all the 4 per cent. public loans, and (2) an increased grant for Capital Expenditure on Railways and Productive Irrigation Works. It is now expected that Rx. 1,000,000 out of the 4 per cent. loans will be paid off in 1894-95, and that the Capital Outlay in India will exceed the Budget provision by Rx. 1,173,700. Against these additional disbursements, aggregating Rx. 2,173,700, the net Revenues show an improvement of Rx. 3,571,700, and all the other transactions produce a net increase in the cash balances of Rx. 283,400. The cash balances on 31st March 1895 are now estimated at Rx. 22,679,488, against Rx. 21,684,256 taken in the Budget, giving an increase of Rx. 995,232. 1894-95. General Summary.

240. Provision was made in the Budget Estimate for paying off in 1894-95 Rx. 150,000 out of the outstanding balance of the 4½ per cent. loans notified for discharge on the 14th October 1893. It is now estimated that the actual payments this year will be about Rx. 200,000. Discharge of Rupee Debt.

The operations for the conversion or discharge of the 4 per cent. public loans undertaken in the current year have already been fully explained. The amount of 4 per cent. paper tendered for discharge up to the 9th March 1895 was Rx. 974,300, out of Rx. 2,761,600 remaining unconverted on that date. The balances, as already stated, are coming in slowly either for conversion or discharge, and the total payments in discharge of the 4 per cent. loans are estimated at Rx. 1,000,000 in the current year and Rx. 750,000 in 1895 96.

241. The loan of 3½ crores taken from the Gwalior Durbar in 1887 is repayable, by annual instalments of twelve lakhs, after the Maharajah is invested with full powers of administration, the first instalment being due twelve months after the installation. The installation having taken place in December 1894, provision is made in the estimates of 1895-96 for the payment of the first instalment of Rx. 120,000. This amount is included in Rx. 890,100 shown as Rupee Debt Discharged in the table in paragraph 238. Discharge of Gwalior Loan.

242. I have already explained in Part I. of this Statement that the special resource operations of 1893-94 increased the sterling debt of the Government of India, and against this increase in the sterling liabilities there has been an accumulation of cash balances in India, which is being drawn against for capital expenditure of Government and discharge of rupee debt. There was therefore no public loan in India in 1894-95, and according to the present estimates no rupee loan will be required in 1895-96. The estimate of 1895-96 provides for the payment in India of Council Bills to the extent of 17,706,800*l.*, for, though drawings are provided for in both 1894-95 and 1895-96 at the rate of 17,000,000*l.*, it is expected that, owing to the large bill drawings, and the small amount of telegraphic transfers in demand at present, the balance of unpaid bills outstanding at the end of 1894-95 will be larger than usual, and thus the actual payments will not fall equally in the two years. Main Features. 1895-96.

243. Although, as above stated, it is not the present intention of the Government of India to raise any loan in 1895-96, full liberty is reserved, as usual, to alter the programme as now announced to any extent that may be considered desirable. Public Loan.

Savings Banks.

244. The following table gives the details of the transactions of Savings Banks during the last few years and the estimated transactions for 1894–95 and 1895–96 :—

Year.	Net Additions to Deposits cash.	Interest.	Total Addition.
	Rx.	Rx.	Rx.
1887–88	656,300	224,000	880,300
1888–89	685,200	261,800	947,000
1889–90	—362,900	272,200	—90,700
1890–91	250,700	279,700	530,400
1891–92	517,900	306,200	824,100
1892–93	548,900	339,400	888,300
1893–94	179,900	368,000	547,900
1894–95 Budget	111,400	325,800	437,200
1894–95 Revised	—44,400	326,000	281,600
1895–96 Budget	102,800	336,700	439,500

For the first time since 1889–90 the Post Office Savings Bank transactions appear likely to result in a net withdrawal of deposits, the credit of interest being disregarded. It was anticipated in the last Financial Statement that the reduction from 3¼ per cent. to 3⅛ per cent. in the Savings Bank rate of interest, which took effect from 1st April 1894, would put a check upon deposits, and the net amount deposited in the Post Office Savings Banks was accordingly taken at the low figure of Rx. 100,000. The effect of the low rate in this direction has, however, been greater than was estimated, and a net withdrawal of Rx. 50,000 is now expected. If the withdrawals indicate, as they not improbably do, the diversion of practically permanent investment from Savings Banks to Government paper, the effect of the reduction of interest is a good one. The Presidency Savings Banks deposits also show a falling-off this year, but this is largely counterbalanced by an improvement in the receipts on account of the Provident institutions, the transactions of which are also included in the Savings Bank Accounts.

During the course of 1894 the Government of India considered, with reference to the reduction of the rate of interest on Savings Bank deposits, the rates that should be allowed on their various other interest-bearing obligations, and it was decided to reduce the rate to 3⅛ per cent. in all cases in which the balances are held at call like ordinary Savings Bank deposits, and in which the interest is not given as a privileged rate to benefit a particular class of Government servants.

Loans to Municipalities and Agriculturists, &c.

245. The net issues on account of loans in 1894–95 are now expected to be Rx. 150,100, against Rx. 491,100 entered in the Budget Estimate. The improvement of Rx. 341,000 is due chiefly to large lapses from grants placed at the disposal of the Provincial Governments. The Madras Harbour Trust Board also repaid to Government a sum of Rx. 50,000 which was not entered in the Budget. The very ample cash balances in our treasuries have, I am glad to say, again enabled the Government to provide in full the demands of Local Governments for Agricultural, Municipal, and other local loans in 1895–96 as far as they can be foreseen at present, and the total estimate of net issues in 1895–96 on account of loans by Government is now placed at Rx. 513,400.

246. The year 1895–96 is estimated to close with a cash balance of Rx. 16,062,688, the result of the year's transactions producing a net reduction in the balances of Rx. 6,616,800.

SECTION IX.—SUMMARY.

247. The principal features of this Statement are :—

(1.) The Accounts of 1893–94 have closed with a deficit of Rx. 1,546,998.

(2.) The Revised Estimates of 1894–95 show a surplus of Rx. 990,500, against a deficit of Rx. 301,900 entered in the Budget. Excluding exchange, there has been a large net improvement in the Revenue of Rx. 3,104,100, of which the most important improvements occur under Opium, Customs Duties, and Railway Revenue. Army also shows a considerable net improvement, notwithstanding payment of British soldiers' pay at a lower rate of exchange and special Waziristan charges. Exchange, which is taken at 13·09*d.* (or 18¾ Rs. to the £.) against 14*d.* in the Budget, absorbs Rx. 1,811,700 of the increase, thus reducing the net improvement to Rx. 1,292,400.

(3.) The conversion of the Rupee Debt from 4 to 3½ per cent. has resulted in an excess net charge of Rx. 280,600 under interest, but it effects a net saving of Rx. 524,800 in future years. The debt converted now amounts to Rx. 92,025,700, including Rx. 2,007,800 converted into 3½ per cent. loan of 1893–94. It is expected that Rx. 1,000,000 will be paid off during 1894–95. The balance of the 4 per cent. debt outstanding at close of 1894–95 will thus be Rx. 2,123,800, including Rx. 362,000 of Husseinabad endowment, which will probably be wholly or partly converted. It is estimated that Rx. 750,000 more will be paid off in 1895-96.

(4.) The Budget Estimate for 1895–96 shows a surplus of Rx. 46,200.

(5.) The burdens of Government have been increased by—

(*a*) Charges dependent on the fall in exchange, amounting to Rx. 2,503,700.

(*b*) Cessation of contributions from Local Governments, amounting to Rx. 405.000.

(*c*) Increased grants for Imperial Public Works which add to the charges Rx. 280,000.

(*d*) Additional Opium payments of Rx. 460,000, due to rise in price paid to cultivator from Rs. 5 to Rs. 6, and to purchase of opium in Malwa.

(*e*) Increased Army charges, other than those due to Exchange, amounting to Rx. 345,200, the principal items being Rx. 180,000 for an increase to the pay of Native sepoys, to take effect from 1st July, and Rx. 150,000 for military preparations in connection with the disturbances in Chitral.

(6.) Against these burdens we have—

(*a*) Saving of Interest, Rx. 524,800.

(*b*) Improvement in Customs Duties, Rx. 1,882,900.

(*c*) A general net improvement under other heads, especially Railway Revenue, Land Revenue, and Opium.

(7.) The rate of exchange is taken at 13·09*d.* as in the Revised, which adds nearly Rx. 1,900,000 to the direct expenditure under exchange. Exchange Compensation Allowance is estimated to cost Rx. 1,456,500.

(8.) The Famine Grant for Railway Construction is still held in abeyance.

(9.) The Capital Expenditure on Railways and Irrigation Works not charged to Revenue was raised during the course of the year, and is now estimated for 1894–95 at Rx. 5,200,000, against the Budget Estimate of Rx. 4,000,000. The similar charge in 1895–96 is taken at Rx. 4,400,000.

(10.) It is expected that the Secretary of State will in 1895–96 sell Council Bills to the amount of 17,000,000*l.*, and will renew the Temporary Loan of 2,000,000*l.* which falls due in May. No other borrowing is contemplated. These announcements are accompanied by the usual reservation of entire liberty to the Secretary of State to vary the amounts to be obtained by bills or raised by loans as he may find occasion.

(11.) It is estimated that the closing balance in the Treasuries in India on 31st March 1896 will, without any borrowing, stand at Rx. 16,062,688, and it is accordingly not intended to issue any public loan in India in 1895–96. Full liberty is, however, reserved to the Government of India to vary this intention in any way and to any extent which may be found expedient.

(12.) The prospect of financial equilibrium is regarded as more hopeful than twelve months ago, and it is stated that, while the crisis is not yet past, and the financial position cannot be looked upon as safe till the Famine Grant has been renewed, yet the Government of India may claim to have made a full year's progress towards the restoration of their fortunes.

Calcutta, 21 March 1895. *J. Westland.*

APPENDIX I.

ACCOUNTS AND ESTIMATES.

ACCOUNTS - - - - -	1893-94.
REVISED ESTIMATES - - -	1894-95.
BUDGET ESTIMATES - - -	1895-96.

CONTENTS.

	PAGE
General Statement of the Accounts and Estimates of the Revenue and Expenditure and Receipts and Disbursements of the Government of India, in India and in England - - - - - - - - - - - - - - - -	74
A.—Statement of the Revenue of India, in India and in England - - - - -	76
B.—Statement of the Expenditure chargeable on the Revenues of India, in India and in England - - - - - - - - - - - - - - -	78
C.—Statement of Receipts and Disbursements of the Government of India, in India and in England - - - - - - - - - - - - - - -	82
D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Contracts - -	84
E.—Statement of Net Revenue and Expenditure, India and England (Old Form) -	86
Statement of Net Revenue and Expenditure, India and England (New Form)	88
F.—Statement of Net Revenue and Expenditure of the Government of India, in India and in England, for the ten years, from 1883-84 to 1892-93 (New Form)	90

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GENERAL STATEMENT of the ACCOUNTS and ESTIMATES of the GOVERNMENT OF INDIA,

	For Details *vide* Statement	RECEIPTS.			
		Accounts, 1893-94.	Budget Estimate, 1894-95.	Revised Estimate, 1894-95.	Budget Estimate, 1895-96.
REVENUE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Principal Heads of Revenue:					
Land Revenue	A.	25,589,609	25,703,600	25,508,700	26,369,600
Opium	–	6,627,571	6,393,600	7,322,000	6,860,600
Salt	–	8,228,876	8,629,200	8,645,700	8,694,300
Stamps	–	4,509,351	4,561,800	4,620,400	4,648,200
Excise	–	5,388,573	5,317,600	5,513,100	5,534,300
Customs	–	1,682,373	2,872,900	3,803,000	4,814,700
Other Heads	–	8,167,247	8,127,400	8,218,000	8,307,300
TOTAL PRINCIPAL HEADS	–	60,193,600	61,606,100	63,630,900	65,229,000
Interest	A.	875,487	856,800	818,500	805,100
Post Office, Telegraph, and Mint	„	2,747,714	2,656,500	2,667,400	2,781,000
Receipts by Civil Departments	„	1,631,302	1,611,700	1,602,800	1,630,200
Miscellaneous	„	999,149	982,700	1,110,200	953,900
Railways	„	20,296,973	20,408,400	21,212,300	21,536,800
Irrigation	„	2,296,409	2,463,800	2,435,600	2,484,300
Buildings and Roads	„	674,354	629,200	681,800	652,400
Receipts by Military Department	„	850,226	809,700	994,600	851,600
TOTAL REVENUE	–	90,565,214	92,024,900	95,154,100	96,924,300
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net incurred)	C.	4,043,311	—	4,795,500	—
Temporary Debt (net incurred) £.	„	6,000,000	2,300,000	—	—
Unfunded Debt (net incurred) *Rx.*	„	559,960	490,500	360,000	522,300
Deposits and Advances (net)	„	4,344,848	—	925,600	—
Loans and Advances by Imperial Government (net Receipts) *Rx.*	„	1,021,591	1,900	127,400	—
Remittances (net)	„	—	—	—	—
Secretary of State's Bills drawn £.	„	9,530,235	17,000,000	17,000,000	17,000,000
TOTAL RECEIPTS	–	116,065,159	111,817,300	118,362,600	114,446,600
Balance on 1st April—India *Rx.*	–	15,271,756	26,251,756	25,565,588	22,679,488
England £.	–	2,268,388	959,988	1,300,564	2,446,164
GRAND TOTAL	–	133,605,303	139,029,044	145,228,752	139,572,252

Fort William, Finance and Commerce Department,
21 March 1895.

H. G. Cowie,
Deputy Comptroller General.

REVENUE and EXPENDITURE and RECEIPTS and DISBURSEMENTS of the in INDIA and in ENGLAND.

	For Details *vide* Statement	DISBURSEMENTS. Accounts, 1893-94.	Budget Estimate, 1894-95.	Revised Estimate, 1894-95.	Budget Estimate, 1895-96.
EXPENDITURE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Direct Demands on the Revenues	B.	9,865,577	10,662,600	9,892,600	11,280,500
Interest	„	4,446,369	4,611,400	5,079,300	4,115,500
Post Office, Telegraph, and Mint	„	2,550,670	2,595,800	2,491,600	2,657,500
Salaries and Expenses of Civil Departments	„	14,637,840	14,959,200	14,902,400	15,379,500
Miscellaneous Civil Charges	„	5,646,877	5,754,000	6,097,700	6,103,700
Famine Relief and Insurance	„	1,117,801	55,000	51,500	55,000
Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	„	73,903	24,400	20,100	9,400
Railway Revenue Account	„	21,832,476	22,538,300	23,029,400	23,685,000
Irrigation	„	2,862,567	2,909,400	2,981,800	3,050,500
Buildings and Roads	„	5,810,852	5,489,100	5,352,500	5,817,000
Army Services	„	23,253,597	23,759,700	24,134,300	25,193,100
Special Defence Works	„	324,974	152,300	184,600	154,700
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL	–	92,423,503	93,511,200	94,817,800	97,501,400
Add—Provincial Surpluses: that is, portion of Allotments to Provincial Governments not spent by them in the year	End of B.	100,777	—	55,100	—
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances	„	*412,068*	*1,184,400*	*709,300*	*623,300*
TOTAL EXPENDITURE charged against REVENUE	–	92,112,212	92,326,800	94,163,600	96,878,100
EXPENDITURE NOT CHARGED TO REVENUE:					
Capital Outlay on Railways and Irrigation Works	End of B.	3,621,252	4,000,000	5,200,000	4,400,000
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net Discharged)	C.	—	151,000	—	890,100
Temporary Debt (net Discharged) *£.*	„	—	—	4,000,000	—
Deposits and Advances (net)	„	—	641,400	—	823,200
Loans and Advances by Imperial Government (net Advances) *Rx.*	„	—	—	—	49,900
Loans and Advances by Provincial Governments (net Advances) *Rx.*	„	195,799	493,000	277,500	463,500
Capital of Railway Companies (net Payments)	„	711,466	1,013,900	727,800	619,000
Remittances (net)	„	138,246	7,200	201,900	2,500
Secretary of State's Bills paid *£.*	„	9,960,176	17,000,000	15,532,300	17,706,800
TOTAL DISBURSEMENTS	–	106,739,151	115,633,300	120,103,100	121,833,100
Balance on 31st March—India *Rx.*	–	25,565,588	21,684,256	22,679,488	16,062,688
England *£.*	–	1,900,564	1,711,488	2,446,164	1,676,464
GRAND TOTAL	–	133,605,303	139,029,044	145,228,752	139,572,252

	Rx.	*Rx.*	*Rx.*	*Rx.*
Revenue	90,565,214	92,024,900	95,154,100	96,924,300
Expenditure chargeable thereon	92,112,212	92,326,800	94,163,600	96,878,100
Surplus (+) or Deficit (—)	—1,546,998	—301,900	+990,500	+46,200

A. F. Cox,
Officiating Comptroller General.

Stephen Jacob,
Officiating Secretary to the Government of India.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

HEADS OF REVENUE.	ACCOUNTS, 1893-94. India. Imperial.	India. Provincial and Local.	England.	Exchange.* 14·547 *d.*	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
PRINCIPAL HEADS OF REVENUE:	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—Land Revenue	16,471,559	9,118,050	- -	- -	25,589,609	16,641,600	8,867,100
II.—Opium	6,627,571	- -	- -	- -	6,627,571	7,322,000	- -
III.—Salt	8,202,329	26,547	- -	- -	8,228,876	8,613,400	32,300
IV.—Stamps	1,190,868	3,318,483	- -	- -	4,509,351	1,223,200	3,397,200
V.—Excise	4,079,112	1,309,461	- -	- -	5,388,573	4,176,300	1,336,800
VI.—Provincial Rates	2,946	3,511,625	- -	- -	3,514,571	4,200	3,559,000
VII.—Customs	1,663,577	18,796	- -	- -	1,682,373	3,779,200	23,800
VIII.—Assessed Taxes	995,947	743,224	- -	- -	1,739,171	1,028,300	765,000
IX.—Forest	1,009,091	713,931	- -	- -	1,723,022	949,100	698,900
X.—Registration	209,405	206,741	- -	- -	416,146	209,300	206,400
XI.—Tributes from Native States	774,337	- -	- -	- -	774,337	797,800	- -
Total	41,226,742	18,966,858	- -	- -	60,193,600	44,744,400	18,886,500
XII.—INTEREST	714,895	144,026	10,041	6,525	875,487	662,700	149,400
POST OFFICE, TELEGRAPH, AND MINT:							
XIII.—Post Office	1,553,651	7,612	- -	- -	1,561,263	1,618,300	7,900
XIV.—Telegraph	955,696	- -	2,061	1,339	959,096	1,000,600	- -
XV.—Mint	227,355	- -	- -	- -	227,355	32,500	- -
Total	2,736,702	7,612	2,061	1,339	2,747,714	2,651,400	7,900
RECEIPTS BY CIVIL DEPARTMENTS:							
XVI.—Law and Justice { Courts	20,014	352,391	- -	- -	372,405	19,600	346,100
XVI.—Law and Justice { Jails	42,269	263,922	- -	- -	306,191	39,500	266,200
XVII.—Police	14,640	402,891	- -	- -	417,531	17,100	384,700
XVIII.—Marine	25,878	126,546	- -	- -	152,424	17,100	130,100
XIX.—Education	1,256	214,922	- -	- -	216,178	1,600	210,600
XX.—Medical	323	71,621	1,934	1,257	75,135	300	77,400
XXI.—Scientific and other Minor Departments.	10,981	79,530	562	365	91,438	9,600	79,300
Total	115,361	1,511,823	2,496	1,622	1,631,302	104,800	1,494,400
MISCELLANEOUS:							
XXII.—Receipts in aid of Superannuation, &c.	166,975	49,177	97,904	63,625	377,681	162,700	46,500
XXIII.—Stationery and Printing	30,802	53,696	- -	- -	84,498	33,700	52,100
XXIV.—Exchange	106,920	- -	- -	- -	106,920	190,300	- -
XXV.—Miscellaneous	113,124	308,342	5,203	3,381	430,050	114,800	327,500
Total	417,821	411,215	103,107	67,006	999,149	501,500	426,100
RAILWAYS:							
XXVI.—State Railways (Gross Receipts)	15,882,589	996,138	230	150	16,879,107	17,059,100	1,074,900
XXVII.—Guaranteed Companies (Net Traffic Receipts).	3,383,812	- -	- -	- -	3,383,812	3,039,000	- -
XXVIII.—Subsidised Companies (Repayment of Advances of Interest).	34,054	- -	- -	- -	34,054	38,900	- -
Total	19,300,455	996,138	230	150	20,296,973	20,137,000	1,074,900
IRRIGATION:							
XXIX.—Major Works: Direct Receipts	604,462	745,223	- -	- -	1,349,685	654,700	701,600
Portion of Land Revenue due to Irrigation.	746,926	- -	- -	- -	746,926	879,400	- -
XXX.—Minor Works and Navigation	54,240	145,558	- -	- -	199,798	46,800	153,100
Total	1,405,628	890,781	- -	- -	2,296,409	1,580,900	854,700
BUILDINGS AND ROADS:							
XXXI.—Military Works	45,894	- -	- -	- -	45,894	56,800	- -
XXXII.—Civil Works	16,641	569,206	25,828	16,785	628,460	14,200	563,700
Total	62,535	569,206	25,828	16,785	674,354	71,000	563,700
RECEIPTS BY MILITARY DEPARTMENT:							
XXXIII.—Army: Effective	694,482	- -	39,636	25,758	759,876	790,000	- -
Non-effective	73,761	- -	10,055	6,534	90,350	82,500	- -
Total	768,243	- -	49,691	32,292	850,226	872,500	- -
TOTAL REVENUES	66,748,382	23,497,659	193,454	125,719	90,565,214	71,326,200	23,457,600

* The columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England, Exchange thereon calculated in accordance with the average rate obtained, or estimated to be obtained, for Bills and Telegraphic Transfers sold during the year.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1894-95.			Increase + Decrease — of Revised, as compared with Budget Estimates, 1894-95. (Excluding Exchange.)	BUDGET ESTIMATE, 1895-96.					Increase + Decrease — of Budget, 1895-96, as compared with Budget Estimates, 1894-95. (Excluding Exchange.)	Increase + Decrease — of Budget, 1895-96, as compared with Revised Estimates, 1894-95. (Excluding Exchange.)
England.	Exchange.* 13·09*d.* (£1 = *Rs.* 18⅛).	TOTAL.		India. Imperial.	India. Provincial and Local.	England.	Exchange.* 13·09*d.* (£1 = *Rs.* 18⅛).	TOTAL.		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
- -	- -	25,508,700	— 194,900	16,788,700	9,580,900	- -	- -	26,369,600	+ 666,000	+ 860,900
- -	- -	7,322,000	+ 928,400	6,860,600	- -	- -	- -	6,860,600	+ 467,000	— 461,400
- -	- -	8,645,700	+ 16,500	8,659,700	34,600	- -	- -	8,694,300	+ 65,100	+ 48,600
- -	- -	6,420,400	+ 58,600	1,232,600	3,415,600	- -	- -	4,648,200	+ 80,400	+ 27,800
- -	- -	5,513,100	+ 195,500	4,191,700	1,342,600	- -	- -	5,534,300	+ 216,700	+ 21,200
- -	- -	3,563,200	+ 37,900	4,200	3,649,800	- -	- -	3,654,000	+ 128,700	+ 90,800
- -	- -	3,803,000	+ 930,100	4,789,600	25,100	- -	- -	4,814,700	+1,941,800	+1,011,700
- -	- -	1,793,300	+ 52,400	1,028,200	771,000	- -	- -	1,799,200	+ 58,300	+ 5,900
- -	- -	1,648,000	+ 2,000	950,600	691,600	- -	- -	1,642,200	— 3,800	— 5,800
- -	- -	415,700	— 24,300	212,600	209,800	- -	- -	422,400	— 17,600	+ 6,700
- -	- -	797,800	+ 22,600	789,500	- -	- -	- -	789,500	+ 14,300	— 8,300
- -	- -	63,630,900	+ 2,024,800	45,508,000	19,721,000	- -	- -	65,229,000	+ 3,622,900	+ 1,598,100
3,500	2,900	818,500	— 34,100	634,600	161,300	5,000	4,200	805,100	— 48,800	— 14,700
- -	- -	1,626,200	+ 31,200	1,679,300	8,200	- -	- -	1,687,500	+ 92,500	+ 61,300
4,400	3,700	1,008,700	+ 14,900	1,026,500	- -	5,100	4,200	1,035,800	+ 41,500	+ 26,600
- -	- -	32,500	— 35,200	57,700	- -	- -	- -	57,700	— 10,000	+ 25,200
4,400	3,700	2,667,400	+ 10,900	2,763,500	8,200	5,100	4,200	2,781,000	+ 124,000	+ 113,100
- -	- -	365,700	— 12,900	18,800	352,400	- -	- -	371,200	— 7,400	+ 5,500
- -	- -	305,700	— 18,300	42,200	274,400	- -	- -	316,600	— 7,400	+ 10,900
- -	- -	401,800	+ 3,000	16,700	397,000	- -	- -	413,700	+ 14,000	+ 11,900
- -	- -	147,200	+ 9,000	12,900	129,400	- -	- -	142,300	+ 4,100	— 4,900
- -	- -	212,200	— 1,100	1,000	213,300	- -	- -	215,200	+ 1,000	+ 3,000
1,700	1,400	80,800	+ 10,300	300	75,500	1,600	1,400	78,800	+ 8,300	— 2,000
300	200	89,400	+ 1,000	9,900	82,000	300	200	92,400	+ 4,000	+ 3,000
2,000	1,600	1,602,800	— 9,000	102,700	1,524,000	1,900	1,600	1,630,200	+ 18,400	+ 27,400
94,600	78,800	382,600	+ 8,100	152,800	46,900	93,500	77,900	371,100	— 2,500	— 10,600
- -	- -	85,800	+ 1,500	30,900	53,700	- -	- -	84,600	+ 300	— 1,200
- -	- -	190,300	+ 40,300	88,400	- -	- -	- -	88,400	— 61,600	— 101,900
5,000	4,200	451,500	+ 64,400	98,000	307,200	2,500	2,100	409,800	+ 24,800	— 39,600
99,600	83,000	1,110,200	+ 114,300	370,100	407,800	96,000	80,000	953,900	— 39,000	— 153,300
200	200	18,134,400	+ 1,194,400	16,955,000	1,046,500	200	200	18,001,900	+1,061,900	— 132,500
- -	- -	3,039,000	— 406,500	3,495,000	- -	- -	- -	3,495,000	+ 49,500	+ 456,000
- -	- -	38,900	+ 15,900	39,900	- -	- -	- -	39,900	+ 16,900	+ 1,000
200	200	21,212,300	+ 803,800	20,489,900	1,046,500	200	200	21,536,800	+1,128,300	+ 324,500
- -	- -	1,356,300	— 35,300	735,800	614,500	- -	- -	1,350,300	— 41,300	— 6,000
- -	- -	879,400	+ 10,900	929,700	- -	- -	- -	929,700	+ 61,200	+ 50,300
- -	- -	199,900	— 3,800	51,100	153,200	- -	- -	204,300	+ 600	+ 4,400
- -	- -	2,435,600	— 28,200	1,716,600	767,700	- -	- -	2,484,300	+ 20,500	+ 48,700
- -	- -	56,800	+ 10,000	45,800	- -	- -	- -	45,800	— 1,000	— 11,000
25,700	21,400	625,000	+ 38,900	14,300	544,300	26,200	21,800	606,600	+ 20,100	— 18,800
25,700	21,400	681,800	+ 48,900	60,100	544,300	26,200	21,800	652,400	+ 19,100	— 29,800
56,600	47,200	893,800	+ 141,100	701,600	- -	26,100	21,700	749,400	+ 22,200	— 118,900
10,000	8,300	100,800	+ 12,100	82,900	- -	10,500	8,800	102,200	+ 13,000	+ 900
66,600	55,500	994,600	+ 153,200	784,500	- -	36,600	30,500	851,600	+ 35,200	— 118,000
202,000	168,300	95,154,100	+ 3,084,600	72,430,000	24,180,800	171,000	142,500	96,924,300	+ 4,880,600	+ 1,796,000
Add,—Increase on account of Exchange - - - *Rx.*			+ 44,600			*Add*,—Increase (+) or decrease (—) on account of Exchange - *Rx.*			+ 18,800	— 25,800
TOTAL, INCLUDING EXCHANGE - *Rx.*			+ 3,129,200			TOTAL, INCLUDING EXCHANGE - *Rx.*			+ 4,899,400	+ 1,770,200

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1893-94. India. Imperial.	India. Provincial and Local.	England.	Exchange.* 14·547d.	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
DIRECT DEMANDS ON THE REVENUES:	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
1.—Refunds and Drawbacks	176,498	79,522	-	-	256,020	204,400	73,300
2.—Assignments and Compensations	513,526	1,014,734	-	-	1,528,260	527,200	1,022,100
Charges in respect of Collection, viz.:							
3.—Land Revenue	386,678	3,634,795	85	55	4,021,613	405,300	3,700,200
4.—Opium (including Cost of Production)	1,874,498	-	1,278	831	1,876,607	1,643,800	-
5.—Salt (including Cost of Production)	415,762	56,701	1,177	765	474,405	435,400	61,500
6.—Stamps	— *25,257*	127,681	38,875	25,263	156,562	— *38,400*	131,700
7.—Excise	146,341	46,952	50	32	193,375	149,200	47,900
8.—Provincial Rates	-	53,809	-	-	53,809	-	56,800
9.—Customs	53,680	89,833	135	88	143,736	68,900	118,400
10.—Assessed Taxes	15,717	15,343	-	-	31,060	15,300	15,400
11.—Forest	507,213	397,094	1,273	827	906,407*	522,000	410,800
12.—Registration	112,344	111,379	-	-	223,723	115,400	114,300
Total	4,167,000	5,627,843	42,873	27,861	9,865,577	4,048,500	5,752,400
INTEREST:							
13.—Interest on Debt† other than that charged to Railways and Irrigation Works.	— *347,821*	109,503	2,505,280	1,628,094	3,895,056	— *338,900*	118,900
14.—Interest on other Obligations	548,205	2,753	215	140	551,313	501,000	3,900
Total	200,384	112,256	2,505,495	1,628,234	4,446,369	167,700	122,800
POST OFFICE, TELEGRAPH, AND MINT:							
15.—Post Office	1,267,394	118,489	103,993	67,581	1,557,457	1,307,500	121,100
16.—Telegraph	672,178	-	139,378	90,577	902,133	654,600	-
17.—Mint	83,588	-	4,541	2,951	91,080	50,600	-
Total	2,023,160	118,489	247,912	161,109	2,550,670	2,012,700	121,100
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:							
18.—General Administration	641,453	877,679	265,812	172,742	1,957,686	673,100	907,900
19.—Law and Justice { Courts	123,466	2,872,624	224	146	2,996,460	112,700	2,954,100
19.—Law and Justice { Jails	165,345	758,708	-	-	924,053	162,300	752,600
20.—Police	704,976	3,213,717	662	430	3,919,785	658,400	3,320,700
21.—Marine (including River Navigation)	190,727	158,581	245,443	159,505	754,256	205,700	141,300
22.—Education	25,280	1,443,747	1,657	1,077	1,471,761	28,100	1,464,900
23.—Ecclesiastical	176,376	-	137	89	176,602	185,000	-
24.—Medical	42,964	925,005	6,760	4,393	979,122	40,100	949,300
25.—Political	862,150	67,450	21,958	14,270	965,828	858,700	68,200
26.—Scientific and other Minor Departments	243,944	182,414	39,960	25,969	492,287	249,000	175,200
Total	3,176,681	10,499,025	582,613	378,621	14,637,840	3,173,100	10,734,200
MISCELLANEOUS CIVIL CHARGES:							
27.—Territorial and Political Pensions	472,228	-	21,950	14,265	508,443	460,300	-
28.—Civil Furlough and Absentee Allowances	1,548	-	197,521	128,362	327,431	1,800	-
29.—Superannuation Allowances and Pensions	84,812	825,735	1,784,051	1,159,393	3,853,991	88,500	860,700
30.—Stationery and Printing	124,754	473,442	51,510	33,475	683,181	105,800	499,900
32.—Miscellaneous	67,032	162,162	27,055	17,582	273,831	39,600	162,100
Total	750,374	1,461,339	2,082,087	1,353,077	5,646,877	696,000	1,522,700
FAMINE RELIEF AND INSURANCE:							
33.—Famine Relief	-	496	-	-	496	-	9,100
34.—Construction of Protective Railways	1,060,954	-	-	-	1,060,954	—	—
35.—Construction of Protective Irrigation Works	56,044	-	186	121	56,351	42,000	-
Total‡	1,116,998	496	186	121	1,117,801	42,000	9,100
Carried forward	11,434,597	17,820,348	5,461,166	3,549,023	38,265,134	10,140,000	18,262,300

* See foot-note to Statement A.

† The "Interest on Debt" is distributed as follows:—

	ACCOUNTS, 1893-94. India.	England.	Exchange.	TOTAL.
	Rx.	£.	*Rx.*	*Rx.*
Interest on Debt (other than that charged to Railways and Irrigation Works) as above	— *238,318*	2,505,280	1,628,094	3,895,056
Under Railway Revenue Account	3,346,574	1,214,411	789,203	5,350,188
Under Irrigation	1,165,558	-	-	1,165,558
TOTAL	4,273,814	3,719,691	2,417,297	10,410,802

‡ The following further sums, which are included under XXVI. and 38, State Railways, are chargeable to the grant for Famine Relief and Insurance, as representing the net charge on the Revenues on account of Protective railways constructed through the agency of Companies:—

	Accounts, 1893-94.	Revised Estimate, 1894-95.	Budget Estimate, 1895-96.
	Rx.	*Rx.*	*Rx.*
Indian Midland Railway	275,194	234,700	225,500
Bengal-Nagpur Railway	96,574	157,700	141,300
TOTAL	371,768	392,400	366,800

REVENUES of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1894-95.			Increase + Decrease — of Revised as compared with Budget Estimates, 1894-95. (Excluding Exchange.)	BUDGET ESTIMATE, 1895-96.					Increase + Decrease — of Budget, 1895-96, as compared with Budget Estimates, 1894-95. (Excluding Exchange.)	Increase + Decrease — of Budget, 1895-96, as compared with Revised Estimates, 1894-95. (Excluding Exchange.)
				India.						
England.	Exchange.* 1s·09d. (£. = R. 18⅓.)	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.* 1s·09d. (£. = R. 18⅓.)	TOTAL.		
£.	Rx.	Rx.	Rx.	Rx.	Rx.	£.	Rx.	Rx.	Rx.	Rx.
- -	- -	277,700	+ 46,100	252,200	72,500	- -	- -	324,700	+ 93,100	+ 47,000
- -	- -	1,549,300	— 27,300	508,800	1,030,500	- -	- -	1,539,300	— 37,300	— 10,000
400	300	4,106,200	— 80,500	424,500	3,763,900	400	300	4,189,100	+ 2,400	+ 82,900
1,400	1,200	1,646,400	— 609,500	2,753,900	- -	700	600	2,755,200	+ 499,900	+ 1,109,400
400	300	497,600	— 21,200	460,500	72,900	400	300	534,100	+ 15,300	+ 36,500
47,000	39,200	179,500	— 3,700	— 59,700	134,000	55,600	46,300	197,100	+ 6,800	+ 10,500
- -	- -	197,100	— 8,100	159,000	50,900	100	100	210,100	+ 4,800	+ 12,900
- -	- -	56,800	+ 3,800	- -	55,900	-	- -	55,900	+ 2,900	— 900
100	100	187,500	— 22,000	77,700	132,400	100	100	210,300	+ 800	+ 22,800
- -	- -	30,700	— 2,000	15,900	15,900	- -	- -	31,800	— 900	+ 1,100
700	600	934,100	— 50,400	556,800	437,000	700	600	995,100	+ 10,600	+ 61,000
- -	- -	249,700	— 200	119,500	118,300	- -	- -	237,800	+ 7,900	+ 8,100
50,000	41,700	9,892,600	— 775,000	5,289,100	5,885,100	58,000	48,300	11,280,500	+ 606,300	+ 1,381,300
2,612,000	2,176,600	4,574,200	+ 208,100	—1,410,200	133,800	2,658,100	2,215,100	3,596,800	— 807,800	— 1,015,900
100	100	505,100	— 600	515,000	3,300	200	200	518,700	+ 12,900	+ 13,500
2,612,100	2,176,700	5,079,300	+ 207,500	—895,200	137,100	2,658,300	2,215,300	4,115,500	— 794,900	— 1,002,400
103,300	86,100	1,618,000	— 2,700	1,351,200	123,800	102,400	85,300	1,662,700	+ 42,800	+ 45,500
90,900	75,700	821,200	— 82,000	740,800	- -	109,200	91,000	941,000	+ 22,500	+ 104,500
1,000	800	52,400	— 14,900	52,500	- -	700	600	53,800	— 13,300	+ 1,600
195,200	162,600	2,491,600	— 99,600	2,144,500	123,800	212,300	176,900	2,657,500	+ 52,000	+ 151,600
274,600	228,800	2,084,400	+ 56,700	661,000	909,900	251,000	209,900	2,032,700	+ 23,900	— 32,800
1,300	1,100	3,069,200	+ 25,000	116,200	3,008,800	1,000	1,600	3,128,500	+ 83,800	+ 58,800
- -	- -	914,900	— 45,100	163,300	794,400	- -	- -	957,700	— 2,300	+ 42,800
800	700	3,980,600	— 62,700	668,800	3,427,400	500	400	4,097,100	+ 54,100	+ 116,800
189,800	158,200	695,000	— 29,700	222,900	156,500	211,900	176,600	767,900	+ 24,800	+ 54,500
1,600	1,300	1,495,900	— 49,600	32,100	1,552,300	1,600	1,300	1,587,300	+ 41,800	+ 91,400
100	100	185,200	— 1,400	194,700	- -	400	300	195,400	+ 8,600	+ 10,000
6,500	5,400	1,001,300	— 4,800	42,200	990,500	6,500	5,400	1,044,600	+ 38,500	+ 43,300
21,600	18,000	966,500	— 20,000	889,700	73,400	51,200	42,700	1,057,000	+ 45,800	+ 65,800
46,500	38,700	509,400	— 10,800	265,700	189,500	30,600	25,500	511,300	+ 4,300	+ 15,100
542,800	452,300	14,902,400	— 142,400	3,256,600	11,102,700	556,500	463,700	15,379,500	+ 323,300	+ 465,700
7,000	5,800	473,100	— 9,800	457,200	- -	9,400	7,800	474,400	— 10,500	— 700
223,000	185,800	410,600	+ 15,800	1,000	- -	218,000	181,700	400,700	+ 10,000	— 5,800
1,797,300	1,497,800	4,244,300	+ 33,100	88,600	874,000	1,812,500	1,510,400	4,285,500	+ 61,700	+ 28,600
49,400	41,200	696,300	+ 7,700	124,500	496,200	41,900	34,900	697,500	+ 15,200	+ 7,500
39,100	32,600	273,400	+ 8,500	28,500	177,800	21,400	17,900	245,600	— 4,600	— 13,100
2,115,800	1,763,200	6,097,700	+ 55,300	699,800	1,548,000	2,103,200	1,752,700	6,103,700	+ 71,800	+ 16,500
- -	- -	9,100	— 900	- -	5,000	- -	- -	5,000	— 5,000	— 4,100
200	200	42,400	— 2,800	50,000	- -	- -	- -	50,000	+ 5,000	+ 7,800
200	200	51,500	— 3,700	50,000	5,000	- -	- -	55,000	—	+ 3,700
5,516,100	4,596,700	38,515,100	— 757,900	10,544,800	18,801,700	5,588,300	4,656,900	39,591,700	+ 258,500	+ 1,016,400

REVISED ESTIMATE, 1894-95.				BUDGET ESTIMATE, 1895-96.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
Rx.	£.	Rx.	Rx.	Rx.	£.	Rx.	Rx.
—214,400	2,612,000	2,176,600	4,574,200	—1,276,400	2,658,100	2,215,100	3,596,800
3,520,600	1,202,100	1,001,700	5,724,400	3,687,400	1,198,900	999,100	5,885,400
1,193,800	- -	- -	1,193,800	1,222,400	- -	- -	1,222,400
4,500,000	3,814,100	3,178,300	11,492,400	3,633,400	3,857,000	3,214,200	10,704,600

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1893-94.					REVISED	
	India.		England.	Exchange.* 14·547*d.*	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
	Rx.	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward - - -	11,434,597	17,820,348	5,461,166	3,549,023	38,265,134	10,140,000	18,262,300
37.—CONSTRUCTION of RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	- -	73,903	- -	- -	73,903	- -	20,100
RAILWAY REVENUE ACCOUNT:							
38.—State Railways: Working Expenses - -	7,879,011	384,964	- -	- -	8,263,975	8,425,500	387,500
Interest on Debt - - - - - -	3,114,405	212,754	997,463	648,216	4,972,838	3,286,500	214,700
Annuities in purchase of Railways - -	- -	- -	1,695,547	1,101,877	2,797,424	- -	- -
Interest chargeable against Companies on Advances.	- -	- -	216,948	140,987	357,935	- -	- -
Interest on Capital deposited by Companies	31,809	- -	679,635	441,671	1,153,115	33,700	- -
39.—Guaranteed Companies: Surplus Profits, Land, and Supervision.	605,258	- -	- -	- -	605,258	631,900	- -
Interest - - - - - - - -	2,495	- -	2,154,720	1,400,277	3,557,492	6,800	- -
40.—Subsidised Companies: Land, &c. - -	6,766	14,234	- -	- -	21,000	4,200	14,100
41.—Miscellaneous Railway Expenditure - -	102,253	1,186	- -	- -	103,439	103,500	— 300
Total - - -	11,741,997	613,138	5,744,313	3,733,028	21,832,476	12,492,100	616,000
IRRIGATION:							
42.—Major Works: Working Expenses - -	398,710	390,247	- -	- -	788,957	429,800	384,200
Interest on Debt - - - - -	629,633	535,925	- -	- -	1,165,558	654,000	539,800
43.—Minor Works and Navigation - - -	325,032	581,433	962	625	908,052	373,300	598,100
Total - - -	1,353,375	1,507,605	962	625	2,862,567	1,457,100	1,522,100
BUILDINGS AND ROADS:							
44.—Military Works - - - - - -	1,154,268	- -	15,965	10,375	1,180,608	965,400	- -
45.—Civil Works - - - - - -	690,422	3,793,956	88,411	57,455	4,630,244	502,200	3,691,300
Total - - -	1,844,690	3,793,956	104,376	67,830	5,810,852	1,467,600	3,691,300
ARMY SERVICES:							
46.—Army: Effective - - - - -	15,026,170	- -	2,167,670	1,408,693	18,602,533	15,198,900	- -
Non-effective - - - -	938,666	- -	2,250,122	1,462,276	4,651,064	919,700	- -
Total - - -	15,964,836	- -	4,417,792	2,870,969	23,253,597	16,118,600	- -
SPECIAL DEFENCE WORKS:							
47.—Special Defence Works - - - -	102,947	- -	98,206	63,821	324,974	70,400	- -
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL - - -	42,502,442	23,808,950	15,826,815	10,285,296	92,423,503	41,745,800	24,111,800
Add,—Portion of Allotments to Provincial Governments not spent by them in the Year - - - - - -	- -	100,777	- -	- -	100,777	- -	55,100
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances	- -	*412,068*	- -	- -	*412,068*	- -	*709,300*
TOTAL EXPENDITURE CHARGED AGAINST REVENUE - -	42,502,442	23,497,659	15,826,815	10,285,296	92,112,212	41,745,800	23,457,600

	ACCOUNTS, 1893-94.			
	India.	England.	Exchange.	TOTAL.
EXPENDITURE NOT CHARGED TO REVENUE:				
Capital Outlay, Railways and Irrigation Works:	*Rx.*	£.	*Rx.*	*Rx.*
48.—State Railways - - - - - -	1,764,912	711,971	462,685	2,939,568
49.—Irrigation Works - - - - - -	660,050	13,113	8,521	681,684
TOTAL - - -	2,424,962	725,084	471,206	3,621,252

* *See* foot-note to Statement A.

REVENUES of INDIA, in INDIA and in ENGLAND—*continued.*

ESTIMATE, 1894-95.			Increase + Decrease — of Revised as compared with Budget Estimates, 1894-95 (Excluding Exchange.)	BUDGET ESTIMATE, 1895-96.					Increase + Decrease — of Budget 1895-96, as compared with Budget Estimates, 1894-95 (Excluding Exchange).	Increase + Decrease — of Budget, 1895-96, as compared with Revised Estimates, 1894-95 (Excluding Exchange).
				India.						
England.	Exchange.* 13·09*d.* (£.1 = *Rs.* 18⅛).	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.* 13·09*d.* (£.1 = *Rs.* 18⅛).	TOTAL.		
£.	*Rx.*	*Rx.*		*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*		
5,516,100	4,596,700	38,515,100	— 757,900	10,544,800	18,801,700	5,588,300	4,656,900	39,591,700	+ 258,500	+1,016,400
- -	- -	20,100	— 4,300	- -	9,400	- -	- -	9,400	— 15,000	— 10,700
- -	- -	8,813,000	+ 411,200	8,340,800	356,200	- -	- -	8,697,000	+ 295,200	— 116,000
983,200	819,300	5,303,700	+ 21,900	3,452,800	215,200	980,000	816,700	5,464,700	+ 185,500	+ 163,600
1,702,700	1,418,900	3,121,600	- -	- -	- -	1,705,900	1,421,600	3,127,500	+ 3,200	+ 3,200
218,900	182,400	401,300	- -	- -	- -	218,900	182,400	401,300	-	-
679,500	566,300	1,279,500	— 800	34,600	- -	680,300	566,900	1,281,800	+ 900	+ 1,700
- -	- -	631,900	— 19,700	618,000	- -	- -	- -	618,000	— 33,600	— 13,900
2,154,600	1,795,500	3,956,900	+ 3,300	2,200	- -	2,161,300	1,801,100	3,964,600	+ 5,400	+ 2,100
- -	- -	18,300	— 800	20,000	10,100	- -	- -	30,100	+ 11,000	+ 11,800
- -	- -	103,200	— 6,800	100,000	- -	- -	- -	100,000	— 10,000	— 3,200
5,738,900	4,782,400	23,629,400	+ 408,300	12,568,400	581,500	5,746,400	4,788,700	23,685,000	+ 457,600	+ 49,300
- -	- -	814,000	+ 44,800	430,000	383,200	- -	- -	813,200	+ 44,000	— 800
- -	- -	1,193,800	+ 300	677,900	544,500	- -	- -	1,222,400	+ 28,900	+ 28,600
1,400	1,200	974,000	+ 26,600	384,400	629,400	600	500	1,014,900	+ 68,200	+ 41,300
1,400	1,200	2,981,800	+ 71,700	1,492,300	1,557,100	600	500	3,050,500	+ 141,100	+ 69,400
23,500	19,600	1,008,500	— 11,100	1,137,000	- -	16,000	13,300	1,166,300	+ 153,000	+ 164,100
82,100	68,400	4,344,000	— 146,800	644,900	3,854,400	82,600	68,800	4,650,700	+ 159,500	+ 306,300
105,600	88,000	5,352,500	— 157,900	1,781,900	3,854,400	98,600	82,100	5,817,000	+ 312,500	+ 470,400
2,071,600	1,726,300	18,996,800	— 52,800	16,148,100	- -	2,095,900	1,746,600	19,990,600	+ 920,700	+ 973,500
2,300,600	1,917,200	5,137,500	— 53,400	922,400	- -	2,334,600	1,945,500	5,202,500	— 16,700	+ 36,700
4,372,200	3,643,500	24,134,300	— 106,200	17,070,500	- -	4,430,500	3,692,100	25,193,100	+ 904,000	+1,010,200
62,300	51,900	184,600	— 3,400	70,000	- -	46,200	38,500	154,700	— 19,900	— 16,500
15,796,500	13,163,700	94,817,800	— 549,700	43,527,900	24,804,100	15,910,600	13,258,800	97,501,400	+2,038,800	+2,588,500
- -	- -	55,100	+ 55,100	- -	- -	- -	- -	- -	- -	— 55,100
- -	- -	*709,300*	+ 475,100	- -	*623,300*	- -	- -	*623,300*	+ 561,100	+ 86,000
15,796,500	13,163,700	94,163,600	— 19,500	43,527,900	24,180,800	15,910,600	13,258,800	96,878,100	+2,599,900	+2,619,400
Add,—Increase on account of Exchange - - - *Rx.*			+ 1,856,300			*Add*,—Increase on account of Exchange - - - *Rx.*			+ 1,951,400	+ 95,100
TOTAL, INCLUDING EXCHANGE - *Rx.*			+ 1,836,800			TOTAL, INCLUDING EXCHANGE - *Rx.*			+ 4,551,300	+ 2,714,500

REVISED ESTIMATE, 1894-95.				BUDGET ESTIMATE, 1895-96.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
Rx.	£.	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*
3,109,400	818,500	682,100	4,610,000	2,147,200	847,000	705,800	3,700,000
581,400	4,700	3,900	590,000	695,200	2,600	2,200	700,000
3,690,800	823,200	686,000	5,200,000	2,842,400	849,600	708,000	4,400,000

* *See* foot-note to Statement A.

C.—STATEMENT of Receipts and Disbursements

	ACCOUNTS, 1893-94.			REVISED ESTIMATE, 1894-95.			BUDGET ESTIMATE, 1895-96.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Revenue (from Statement A.) -	90,246,041	193,454	90,439,495	94,783,800	202,000	94,985,800	96,610,800	171,000	96,781,800
Exchange added to Revenue -	125,719	- -	125,719	168,300	- -	168,300	142,500	- -	142,500
Total - - -	90,371,760	193,454	90,565,214	94,952,100	202,000	95,154,100	96,753,300	171,000	96,924,300
Permanent Debt incurred:									
Sterling Debt:									
3 per Cent. Stock - -	- -	1,300,000	- -	- -	6,000,000	—	—	—	—
3¼ per Cent. Debentures -	- -	1,386,000	—	—	—	—	—	—	—
Rupee Debt:									
Rupee Loan - - -	3,499,113	—	—	—	—	—	—	—	—
Loan from Rampur State -	220,000	—	—	—	—	—	—	—	—
Total - - -	3,719,113	2,686,000	6,405,113	- -	6,000,000	6,000,000	—	—	—
Net - - -	- -	- -	4,043,311	- -	- -	4,795,500	—	—	—
Temporary Debt incurred:									
Temporary Loans - -	- -	10,750,000	10,750,000	- -	3,000,000	3,000,000	- -	2,000,000	2,000,000
Net - - -	- -	- -	6,000,000	—	—	—	—	—	—
Unfunded Debt:									
Treasury Notes - - -	8,120	- -	- -	600	—	—	—	—	—
Deposits of Service Funds -	142,155	- -	- -	145,400	- -	- -	150,900	—	—
Savings Bank Deposits - -	4,309,409	- -	- -	4,110,200	- -	- -	4,260,300	—	—
Total - - -	4,459,684	- -	4,459,684	4,256,200	- -	4,256,200	4,411,200	- -	4,411,200
Net - - -	- -	- -	559,960	- -	- -	360,000	- -	- -	522,300
Deposits and Advances:									
Balances of Provincial Allotments	100,777	- -	- -	55,100	—	—	—	—	—
Excluded Local Funds - -	842,238	- -	- -	816,300	- -	- -	788,000	—	—
Railway Funds - - -	483,465	- -	- -	476,100	- -	- -	484,300	—	—
Deposits of Sinking Funds -	10,124	- -	- -	10,700	- -	- -	68,700	—	—
Departmental and Judicial Deposits.	18,088,572	- -	- -	17,218,900	- -	- -	16,994,800	—	—
Advances - - - -	7,398,419	2,000	- -	2,997,200	3,200	- -	2,746,100	100	—
Suspense Accounts - -	173,397	- -	- -	62,700	- -	- -	12,100	—	—
Exchange on Remittance Accounts (net).	4,927,510	- -	- -	155,700	- -	- -	127,700	—	—
Miscellaneous - - -	46,096	16	- -	1,250,000	300	—	—	—	—
Total - - -	32,132,598	2,016	32,134,614	23,042,700	3,500	23,046,200	21,221,700	100	21,221,800
Net - - -	- -	- -	4,344,848	- -	- -	925,600	- -	- -	0
Carried forward - - -	130,683,155	13,631,470	- -	122,251,000	9,205,500	- -	122,386,200	2,171,100	—

of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND.

	ACCOUNTS, 1893-94.			REVISED ESTIMATE, 1894-95.			BUDGET ESTIMATE, 1895-96.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
EXPENDITURE, IMPERIAL and PROVINCIAL (from Statement B.).	66,311,392	15,826,815	82,138,207	65,857,600	15,796,500	81,654,100	68,332,000	15,910,600	84,242,600
Exchange, charged as Expenditure	10,285,296	- -	10,285,296	13,163,700	- -	13,163,700	13,258,800	- -	13,258,800
Add,—Provincial Surpluses, transferred to "Deposits."	100,777	- -	100,777	55,100	- -	55,100	—	—	—
Deduct,—Provincial Deficits, charged against "Deposits."	*412,068*	- -	*412,068*	*709,300*	- -	*709,300*	*623,300*	- -	*623,300*
Total - - -	76,285,397	15,826,815	92,112,212	78,367,100	15,796,500	94,163,600	80,967,500	15,910,600	96,878,100
EXPENDITURE NOT CHARGED TO REVENUE.									
Capital Outlay on Railways and Irrigation Works.	2,424,968	725,084	- -	3,690,800	823,200	- -	2,842,400	849,600	—
Exchange on Expenditure not charged to Revenue.	471,206	- -	- -	686,000	- -	- -	708,000	—	—
Total - - -	2,896,168	725,084	3,621,252	4,376,800	823,200	5,200,000	3,550,400	849,600	4,400,000
PERMANENT DEBT DISCHARGED:									
Sterling Debt:									
India 5 per Cent. Stock -	- -	125	—	—	—	—	—	—	—
India 4 per Cent. Stock -	- -	1,890	- -	- -	4,300	—	—	—	—
India 3½ per Cent. Debentures	—	—	—	—	—	—	—	—	—
Oudh and Rohilkhund Railway Debentures.	- -	729,000	—	—	—	—	—	—	—
South Indian Railway Debentures.	- -	520,200	—	—	—	—	—	—	—
Rupee Debt:									
5½ per Cent. Loans - -	300	—	—	—	—	—	—	—	—
5 per Cent. Loans - -	107	—	—	—	—	—	—	—	—
4½ per Cent. Loans - -	1,109,907	- -	- -	200,000	- -	- -	20,000	—	—
4 per Cent. Loans - - -	157	- -	- -	1,000,000	- -	- -	870,000	—	—
Provincial Debentures - -	- -	- -	- -	100	—	—	—	—	—
Stock Notes - - - -	116	- -	- -	100	- -	- -	100	—	—
Total - - -	1,110,587	1,251,215	2,361,802	1,200,200	4,300	1,204,500	890,100	- -	890,100
Net - - -	- -	- -	0	- -	- -	0	- -	- -	890,100
TEMPORARY DEBT DISCHARGED:									
Temporary Loans - -	- -	4,750,000	4,750,000	- -	7,000,000	7,000,000	- -	2,000,000	2,000,000
Net - - -	- -	- -	0	- -	- -	4,000,000	- -	- -	0
UNFUNDED DEBT:									
Special Loans - - - -	409	- -	- -	200	—	—	—	—	—
Treasury Notes - - -	7,670	- -	- -	2,000	—	—	—	—	—
Deposits of Service Funds -	96,162	- -	- -	98,500	- -	- -	98,500	—	—
Savings Bank Deposits - -	3,795,483	- -	- -	3,795,500	- -	- -	3,790,400	—	—
Total - - -	3,899,724	- -	3,899,724	3,896,200	- -	3,896,200	3,888,900	- -	3,888,900
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
DEPOSITS AND ADVANCES:									
Balances of Provincial Allotments	412,068	- -	- -	709,300	- -	- -	623,300	—	—
Excluded Local Funds - -	858,799	- -	- -	797,100	- -	- -	796,500	—	—
Railway Funds - - -	439,896	- -	- -	577,800	- -	- -	484,300	—	—
Departmental and Judicial Deposits.	17,797,536	- -	- -	17,173,900	- -	- -	16,948,400	—	—
Advances - - - - -	7,913,171	854	- -	2,840,100	100	- -	2,557,700	1,400	—
Suspense Accounts - - -	52,385	- -	- -	22,300	- -	- -	22,900	—	—
Miscellaneous - - - -	314,829	228	- -	- -	- -	- -	610,500	—	—
Total - - -	27,788,684	1,082	27,789,766	22,120,500	100	22,120,600	22,043,600	1,400	22,045,000
Net - - -	- -	- -	0	- -	- -	0	- -	- -	823,200
Carried forward - - -	111,980,560	22,554,196	- -	109,960,800	23,624,100	- -	111,340,500	18,761,600	—

C.—STATEMENT of Receipts and Disbursements

	ACCOUNTS, 1893-94.			REVISED ESTIMATE, 1894-95.			BUDGET ESTIMATE, 1895-96.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
— Brought forward - - -	130,683,155	13,681,470	- -	122,251,000	9,205,500	- -	122,386,200	2,171,100	—
Loans and Advances by Imperial Government.	1,156,880	- -	1,156,880	217,700	- -	217,700	114,000	- -	114,000
Net - - -	- -	- -	1,021,591	- -	- -	127,400	—	—	—
Loans and Advances by Provincial Governments.	357,965	- -	357,965	367,800	- -	367,800	345,100	- -	345,100
Net - - -	—	—	—	—	—	—	—	—	—
Capital Receipts from Railway Companies:									
On account of Subscribed Capital.	67,500	88,688	- -	- -	367,400	- -	—	3,308,500	—
Repayments - - - - -	1,070,446	4,033	- -	1,044,800	3,900	- -	1,141,300	3,000	—
Total - - -	1,137,946	92,721	1,230,667	1,044,800	371,300	1,416,100	1,141,300	3,311,500	4,452,800
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
Remittances:									
Inland Money Orders - -	19,290,843	- -	- -	20,400,000	- -	- -	21,500,000	—	—
Other Local Remittances -	- -	- -	- -	400	—	—	—	—	—
Other Departmental Accounts	802,029	- -	- -	1,245,000	- -	- -	1,407,500	—	—
Net Receipts by Civil Treasuries from—									
Post Office - - - - -	683,953	- -	- -	445,600	- -	- -	613,900	—	—
Telegraph - - - - -	47,160	- -	- -	101,600	- -	- -	48,000	—	—
Guaranteed Railways - -	3,801,017	- -	- -	3,018,500	- -	- -	3,667,000	—	—
Public Works - - - -	323,696	- -	- -	1,161,600	- -	- -	1,538,500	—	—
Net Receipts from Civil Treasuries by—									
Marine - - - - -	185,513	- -	- -	203,600	- -	- -	208,800	—	—
Military - - - - -	14,715,228	- -	- -	14,839,500	- -	- -	15,982,900	—	—
Remittance Account between England and India.	1,031,348	167,720	- -	1,073,700	177,800	- -	899,300	121,700	—
Total - - -	40,880,787	167,720	41,048,507	42,489,500	177,800	42,667,300	45,865,900	121,700	45,987,600
Net - - -	—	—	—	—	—	—	—	—	—
Secretary of State's Bills drawn.	- -	9,530,235	9,530,235	- -	17,000,000	17,000,000	- -	17,000,000	17,000,000
Total Receipts - -	174,216,733	23,422,146	- -	166,370,800	26,754,600	- -	169,852,500	22,604,300	—
Opening Balance - -	15,271,756	2,268,388	- -	25,565,588	1,300,564	- -	22,679,488	2,446,164	—
GRAND TOTAL - -	189,488,489	25,690,534	- -	191,936,388	28,055,164	- -	192,531,988	25,050,464	—

Fort William, Finance and Commerce Department,
21 March 1895.

H. G. Cowie,
Deputy Comptroller General.

D.—ACCOUNT of Provincial and Local Savings charged to Revenue, and held

Provincial and

Note.—These Balances do not include the Balances

	India.	Central Provinces.	Burma.	Assam.
Accounts, 1893-94.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Balance at end of 1892-93 - - -	13,569	269,029	580,704	149,435
Added in 1893-94 - - - - -	1,467	- - -	- - -	- - -
Spent in 1893-94 - - - - -	- - -	60,932	96,530	9,126
Balance at end of 1893-94 - -	15,036	208,097	484,174	140,309
Revised Estimate, 1894-95.				
Balance at end of 1893-94 (by Accounts)	15,036	208,097	484,174	140,309
Added in 1894-95 - - - - -	300	- - -	- - -	- - -
Spent in 1894-95 - - - - -	- - -	86,400	308,300	4,200
Balance at end of 1894-95 - -	15,336	121,697	175,874	136,109
Budget Estimate, 1895-96.				
Balance at end of 1894-95 (by Revised Estimate).	15,336	121,697	175,874	136,109
Spent in 1895-96 - - - - -	400	300	67,100	58,400
Balance at end of 1895-96 - -	14,936	121,397	108,774	77,709

Fort William, Finance and Commerce Department,
21 March 1895.

H. G. Cowie.
Deputy Comptroller General.

of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND—*continued.*

	ACCOUNTS, 1893-94.			REVISED ESTIMATE, 1894-95.			BUDGET ESTIMATE, 1895-96.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward - - -	111,980,560	22,554,196	- -	109,960,800	23,624,200	- -	111,340,500	18,761,800	—
Loans and Advances by Imperial Government.	135,289	- -	135,289	90,300	- -	90,300	163,900	- -	163,900
Net - - -	- -	- -	0	- -	- -	0	- -	- -	49,900
Loans and Advances by Provincial Governments.	553,764	- -	553,764	645,300	- -	645,300	808,600	- -	808,600
Net - - -	- -	- -	195,799	- -	- -	277,500	- -	- -	463,500
Payments to Railway Companies on Capital Account:									
For discharge of Debentures	- -	- -	- -	- -	- -	- -	- -	2,778,500	—
For Expenditure - -	1,194,509	747,624	- -	1,241,900	902,000	- -	1,338,100	955,200	—
Total - - -	1,194,509	747,624	1,942,133	1,241,900	902,000	2,143,900	1,338,100	3,733,700	5,071,800
Net - - -	- -	- -	711,466	- -	- -	727,800	- -	- -	619,000
Remittances:									
Inland Money Orders - -	19,294,478	- -	- -	20,400,000	- -	- -	21,500,000	—	—
Other Local Remittances -	68,521	—	—	—	—	—	—	—	—
Other Departmental Accounts	800,711	- -	- -	1,245,000	- -	- -	1,407,500	—	—
Net Payments into Civil Treasuries by—									
Post Office - - -	683,956	- -	- -	445,600	- -	- -	613,900	—	—
Telegraph - - - -	47,324	- -	- -	101,600	- -	- -	48,000	—	—
Guaranteed Railways -	3,801,017	- -	- -	3,018,500	- -	- -	3,667,000	—	—
Public Works - - -	363,768	- -	- -	1,361,600	- -	- -	1,538,500	—	—
Net Issues from Civil Treasuries to—									
Marine - - - - -	184,875	- -	- -	203,600	- -	- -	208,800	—	—
Military - - - - -	14,715,228	- -	- -	14,839,500	- -	- -	15,982,900	—	—
Remittance Account between England and India.	138,725	1,088,150	- -	170,900	1,082,900	- -	144,800	878,700	—
Total - - -	40,098,603	1,088,150	41,186,753	41,786,300	1,082,900	42,869,200	45,111,400	878,700	45,990,100
Net - - -	- -	- -	138,246	- -	- -	201,900	- -	- -	2,500
SECRETARY OF STATE'S BILLS PAID.	9,960,176	- -	9,960,176	15,532,300	- -	15,532,300	17,706,800	- -	17,706,800
TOTAL DISBURSEMENTS -	163,922,901	24,389,970	- -	169,256,900	25,609,000	- -	176,469,300	23,374,000	—
Closing Balance - -	25,565,588	1,300,564	- -	22,679,488	2,446,164	- -	16,062,688	1,676,464	—
GRAND TOTAL - - -	189,488,489	25,690,534	- -	191,936,388	28,055,164	- -	192,531,988	25,050,464	—

A. F. Cox,
Officiating Comptroller General.

Stephen Jacob,
Officiating Secretary to the Government of India

at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL CONTRACTS.

LOCAL BALANCES.

of Deposits and Advances upon Local Fund Accounts.

Bengal.	North Western Provinces and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
390,975	607,197	365,161	875,825	754,659	4,006,554
46,448	- - -	- - -	- - -	52,862	100,777
- - -	4,652	17,675	223,153	- - -	412,068
437,423	602,545	347,486	652,672	807,521	3,695,263
437,423	602,545	347,486	652,672	807,521	3,695,263
54,800	- - -	- - -	- - -	- - -	55,100
- - -	168,700	21,600	17,500	102,600	709,300
492,223	433,845	325,886	635,172	704,921	3,041,063
492,223	433,845	325,886	635,172	704,921	3,041,063
45,500	148,300	42,100	143,700	117,500	623,300
446,723	285,545	283,786	491,472	587,421	2,417,763

A. F. Cox,
Officiating Comptroller General.

Stephen Jacob,
Officiating Secretary to the Government of India

E.—STATEMENT of NET REVENUE and EXPENDITURE.—INDIA and ENGLAND.

OLD FORM.

NET REVENUE.

	ACCOUNTS, 1893–94.				
	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Land Revenue	25,589,609	51,614	25,537,995	4,021,613	21,516,382
Opium	6,627,571	3	6,627,568	1,876,607	4,750,961
Salt	8,228,876	32,266	8,196,610	474,405	7,722,205
Stamps	4,509,351	52,446	4,456,905	156,562	4,300,343
Excise	5,388,573	35,396	5,353,177	193,375	5,159,802
Provincial Rates	3,514,571	11,467	3,503,104	53,809	3,449,295
Customs	1,682,373	45,313	1,637,060	143,736	1,493,324
Assessed Taxes	1,739,171	21,544	1,717,627	31,060	1,686,567
Forest	1,723,022	4,338	1,718,684	906,407	812,277
Registration	416,146	1,133	415,013	223,723	191,290
Tributes from Native States	774,337	500	773,837	- -	773,837
	60,193,600	256,020	59,937,580	8,081,297	51,856,283
Deduct,—Assignments and Compensations	- -	- -	- -	- -	*1,528,260*
TOTAL NET REVENUE	- -	- -	- -	- -	50,328,023

NET EXPENDITURE.

	ACCOUNTS, 1893–94.		
	Gross Expenditure.	Receipts.	Net Expenditure.
	Rx.	*Rx.*	*Rx.*
Interest	4,446,369	875,487	3,570,882
Post Office, Telegraph, and Mint	2,550,670	2,747,714	—197,044
Civil Departments	14,637,840	1,631,302	13,006,538
Miscellaneous Civil Charges	5,646,877	999,149	4,647,728
Famine Relief and Insurance	1,117,801	- - -	1,117,801
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	73,903	- - -	73,903
Railway Revenue Account	21,832,476	20,296,973	1,535,503
Irrigation	2,862,567	2,296,409	566,158
Buildings and Roads	5,810,852	674,354	5,136,498
Army Services	23,253,597	850,226	22,403,371
Special Defence Works	324,974	- - -	324,974
	82,557,926	30,371,614	52,186,312
Provincial and Local Surpluses and Deficits	+ 100,777 — 412,068	- - -	— 311,291
TOTAL NET EXPENDITURE	- - -	- - -	51,875,021
Surplus (+) or deficit (—)	- - -	- - -	—1,546,998
			50,328,023

Fort William, Finance and Commerce Department,
21 March 1895.

H. G. Cowie,
Deputy Comptroller General.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—INDIA and ENGLAND.

NET REVENUE.

REVISED ESTIMATE, 1894–95.					BUDGET ESTIMATE, 1895–96.				
Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
25,508,700	47,800	25,460,900	4,106,200	21,354,700	26,369,600	46,800	26,322,800	4,189,100	22,133,700
7,322,000	100	7,321,900	1,646,400	5,675,500	6,860,600	100	6,860,500	2,755,200	4,105,300
8,645,700	35,900	8,609,800	497,600	8,112,200	8,694,300	35,700	8,658,600	534,100	8,124,500
4,620,400	53,700	4,566,700	179,500	4,387,200	4,648,200	52,000	4,596,200	197,100	4,399,100
5,513,100	27,200	5,485,900	197,100	5,288,800	5,534,300	29,000	5,505,300	210,100	5,295,200
3,563,200	5,800	3,557,400	56,800	3,500,600	3,654,000	6,000	3,648,000	55,900	3,592,100
3,803,000	86,600	3,716,400	187,500	3,528,900	4,814,700	137,800	4,676,900	210,300	4,466,600
1,793,300	13,200	1,780,100	30,700	1,749,400	1,799,200	14,000	1,785,200	31,800	1,753,400
1,648,000	5,400	1,642,600	934,100	708,500	1,642,200	2,300	1,639,900	995,100	644,800
415,700	1,100	414,600	229,700	184,900	422,400	1,000	421,400	237,800	183,600
797,800	900	796,900	- -	796,900	789,500	- -	789,500	- -	789,500
63,630,900	277,700	63,353,200	8,065,600	55,287,600	65,229,000	324,700	64,904,300	9,416,500	55,487,800
- -	- -	- -	- -	*1,549,300*	- -	- -	- -	- -	*1,539,300*
- -	- -	- -	- -	53,738,300	- -	- -	- -	- -	53,948,500

NET EXPENDITURE.

REVISED ESTIMATE, 1894–95.			BUDGET ESTIMATE, 1895–96.		
Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
5,079,300	818,500	4,260,800	4,115,500	805,100	3,310,400
2,491,600	2,667,400	— 175,800	2,657,500	2,781,000	— 123,500
14,902,400	1,602,800	13,299,600	15,379,500	1,630,200	13,749,300
6,097,700	1,110,200	4,987,500	6,103,700	953,900	5,149,800
51,500	- - -	51,500	55,000	- - -	55,000
20,100	- - -	20,100	9,400	- - -	9,400
23,629,400	21,212,300	2,417,100	23,685,000	21,536,800	2,148,200
2,981,800	2,435,600	546,200	3,050,500	2,484,300	566,200
5,352,500	681,800	4,670,700	5,817,000	652,400	5,164,600
24,134,300	994,600	23,139,700	25,193,100	851,600	24,341,500
184,600	- - -	184,600	154,700	- - -	154,700
84,925,200	31,523,200	53,402,000	86,220,900	31,695,300	54,525,600
+ 55,100 — 709,300	- - -	— 654,200	— 623,300	- - -	— 623,300
- - -	- - -	52,747,800	- - -	- - -	53,902,300
- - -	- - -	+ 990,500	- - -	- - -	+ 46,200
- - -	- - -	53,738,300	- - -	- - -	53,948,500

A. F. Cox,
Officiating Comptroller General.

Stephen Jacob,
Officiating Secretary to the Government of India.

E.—STATEMENT of NET REVENUE AND EXPENDITURE.—INDIA and ENGLAND.—NEW FORM.

PART I.—INCOME.

REVENUE.	Accounts, 1893-94.		Revised Estimate, 1894-95.		Budget Estimate, 1895-96.	
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—LAND REVENUE, &c.:						
1. Land Revenue - -	25,537,995		25,460,900		26,322,800	
2. Forest - - - -	1,718,684		1,642,600		1,639,900	
3. Tributes from Native States.	773,837		796,900		789,500	
	28,030,516		27,900,400		28,752,200	
Deduct,—Assignments -	*1,102,709*		*1,108,800*		*1,115,000*	
Net - - - -	- -	26,927,807	- -	26,791,600	- -	27,637,200
II.—OPIUM - - - - - -	6,627,568		7,321,900		6,860,500	
Deduct,—Assignments -	*4,912*		*5,100*		*5,100*	
Net - - - -	- -	6,622,656	- -	7,316,800	- -	6,855,400
III.—TAXATION:						
1. Salt - - - - -	8,196,610		8,609,800		8,658,600	
2. Stamps - - - - -	4,456,905		4,566,700		4,596,200	
3. Excise - - - - -	5,353,177		5,485,900		5,505,300	
4. Provincial Rates - -	3,503,104		3,557,400		3,648,000	
5. Customs - - - - -	1,637,060		3,716,400		4,676,900	
6. Assessed Taxes - -	1,717,627		1,780,100		1,785,200	
7. Registration - - -	415,013		414,600		421,400	
	25,279,496		28,130,900		29,291,600	
Deduct,—Assignments -	*420,639*		*435,400*		*419,200*	
Net - - - -	- -	24,858,857	- -	27,695,500	- -	28,872,400
IV.—COMMERCIAL SERVICES (*i.e.*, Post Office, and Telegraph).	- -	60,769	- -	195,700	- -	119,600
V.—MISCELLANEOUS RECEIPTS (*i.e.*, Mint, Gain by Exchange and Miscellaneous).	- -	399,414	- -	348,500	- -	256,500
		58,869,503	- -	62,348,100	- -	63,741,100
Excess of Expenditure over Income.	- -	1,546,998	—	—	—	—
		60,416,501	- -	62,348,100	- -	63,741,100

E.—STATEMENT of NET REVENUE AND EXPENDITURE.—INDIA AND ENGLAND.—NEW FORM—*continued.*

PART II.—EXPENDITURE.

CHARGES.	Accounts, 1893-94.		Revised Estimate, 1894-95.		Budget Estimate, 1895-96.	
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—DEBT SERVICES - - -	- -	3,570,882	- -	4,260,800	- -	3,310,400
II.—MILITARY SERVICES :						
1. Army - - - -	22,403,371		23,139,700		24,341,500	
2. Military Works - -	1,134,714		951,700		1,120,500	
3. Special Defence Works -	324,974		184,600		154,700	
TOTAL - - -	- -	23,863,059	- -	24,276,000	- -	25,616,700
III.—COLLECTION OF REVENUE :						
1. Land Revenue, including District Administration.	4,021,613		4,106,200		4,189,100	
2. Opium - - - -	1,876,607		1,646,400		2,755,200	
3. Forest - - - -	906,407		934,100		995,100	
4. Other Heads - - -	1,276,670		1,378,900		1,477,100	
TOTAL - - -	- -	8,081,297	- -	8,065,600	- -	9,416,500
IV.—COMMERCIAL SERVICES :						
1. Railway - - - -	1,535,503		2,417,100		2,148,200	
2. Irrigation - - -	566,158		546,200		566,200	
TOTAL - - -	- -	2,101,661	- -	2,963,300	- -	2,714,400
V.—CIVIL SERVICES :						
1. Civil Departments - -	13,006,539		13,299,600		13,740,300	
2. Miscellaneous Civil Charges.	4,910,867		5,355,900		5,402,400	
3. Famine Relief and Insurance.	1,117,801		51,500		55,000	
4. Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	73,903		20,100		9,400	
5. Civil Works - - -	4,001,784		3,719,000		4,044,100	
	23,110,893		22,446,100		23,260,200	
Add or *Deduct*,—						
Provincial Surplus or Deficit.	*311,291*		*654,200*		*623,800*	
TOTAL - - -	- -	22,799,602	- -	21,791,900	- -	22,636,900
		60,416,501	- -	61,357,600	- -	63,694,900
Excess of Income over Expenditure.	- -	- -	- -	990,500	- -	46,200
		60,416,501	- -	62,348,100	- -	63,741,100

H. G. Cowie,
Deputy Comptroller General,

A. F. Cox,
Officiating Comptroller General.

Stephen Jacob,
Officiating Secretary to the Government of India.

Fort William, Finance and Commerce Department,
21 March 1895.

F.—STATEMENT of NET REVENUE and EXPENDITURE of the GOVERNMENT

PART I.—

REVENUE.	1883-84.	1884-85.	1885-86.	1886-87.	
I.—LAND REVENUE, &c.:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	
1. Land Revenue	22,140,310	21,783,670	22,544,599	23,020,515	1
2. Forest	1,049,987	984,752	1,083,548	1,102,471	2
3. Tributes from Native States	720,487	699,017	689,575	695,415	3
	23,910,784	23,467,439	24,317,722	24,818,401	4
Deduct,—Assignments	*793,353*	*833,186*	*909,981*	1,004,811	5
Net	**23,117,431**	**22,634,253**	**23,407,741**	**23,813,590**	6
II.—OPIUM	9,555,790 (*a*)	8,816,080 (*a*)	8,942,299 (*a*)	8,942,908 (*a*)	7
Deduct,—Assignments	-	*300*	*300*	*300*	8
Net	**9,555,790**	**8,815,780**	**8,941,999**	**8,942,608**	9
III.—TAXATION:					
1. Salt	6,110,816	6,476,256	6,317,813	6,627,283	10
2. Stamps	3,473,929	3,561,517	3,617,725	3,705,786	11
3. Excise	3,806,483	3,985,446	4,126,037	4,336,430	12
4. Provincial Rates	2,868,044	2,785,264	2,954,715	2,993,011	13
5. Customs	1,156,103	1,004,998	1,167,570	1,218,175	14
6. Assessed Taxes	510,119	496,873	485,271	1,327,668	15
7. Registration	258,063	285,713	306,999	297,937	16
	18,183,557	18,596,067	18,976,130	20,506,290	17
Deduct,—Assignments	*445,487*	*441,956*	*486,256*	*441,826*	18
Net	**17,738,070**	**18,154,111**	**18,489,874**	**20,064,464**	19
IV.—COMMERCIAL SERVICES (*i.e.*, Post Office and Telegraph)	(*b*)	(*b*)	(*b*)	(*b*)	20
V.—MISCELLANEOUS RECEIPTS (*i.e.*, Mint, Gain by Exchange, and Miscellaneous)	**147,784**	**156,799**	**405,461**	**107,879**	21
	50,559,075	**49,760,943**	**51,245,075**	**52,928,541**	22
Excess of Expenditure over Income	-	386,446	2,801,726	-	23
	50,559,075	**50,147,389**	**54,046,801**	**52,928,541**	24

(*a*) Compensations to Native States, etc., are included under Assignments on account of Land Revenue, etc.
(*b*) In these years the Expenditure exceeded the Income.

OF INDIA in INDIA and in ENGLAND for the Ten Years from 1883–84 to 1892–93.

INCOME.

	1887–88.	1888–89.	1889–90.	1890–91.	1891–92.	1892–93.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
1	23,141,295	22,970,289	23,926,384	23,995,227	23,901,284	24,850,328
2	1,121,674	1,347,174	1,483,388	1,442,693	1,484,925	1,588,847
3	743,597	745,233	777,707	760,421	775,961	790,112
4	25,006,566	25,062,696	26,187,479	26,198,341	26,162,170	27,229,287
5	*1,020,901*	*1,032,141*	*1,037,100*	*1,031,355*	*1,061,590*	*1,127,898*
6	**23,985,665**	**24,030,555**	**25,150,379**	**25,166,986**	**25,100,580**	**26,101,389**
7	8,515,333	8,562,270	8,582,990	7,879,181	8,012,368	7,993,045
8	*1,676*	*1,669*	*31,349*	*4,762*	*4,740*	*9,633*
9	**8,513,657**	**8,560,601**	**8,551,641**	**7,874,419**	**8,007,628**	**7,983,412**
10	6,636,267	7,630,297	8,151,927	8,487,708	8,598,070	8,626,118
11	3,831,996	3,883,338	4,040,464	4,022,498	4,214,958	4,394,796
12	4,501,102	4,678,961	4,861,703	4,917,330	5,086,909	5,210,203
13	3,027,353	3,037,374	3,403,433	3,486,983	3,497,374	3,698,049
14	1,316,761	1,301,861	1,458,231	1,697,040	1,654,311	1,558,797
15	1,411,487	1,504,588	1,581,665	1,600,871	1,638,097	1,670,526
16	310,159	330,758	352,946	364,619	398,439	428,666
17	21,035,125	22,367,177	23,850,369	24,577,049	25,088,158	25,587,755
18	*446,386*	*452,425*	*475,999*	*473,975*	*465,530*	*490,245*
19	**20,588,739**	**21,914,752**	**23,374,370**	**24,103,074**	**24,622,628**	**25,157,510**
20	(*b*)	(*c*) 38,056	(*c*) 35,510	22,813	(*c*) 80,615	(*c*) 62,670
21	986,652	1,072,624	686,122	435,143	279,989	398,901
22	54,074,713	55,616,588	57,798,022	57,602,435	58,091,440	59,703,882
23	2,028,832	- - -	- - -	- - -	- - -	833,412
24	**56,103,545**	**55,616,588**	**57,798,022**	**57,602,435**	**58,091,440**	**60,537,294**

(*c*) Telegraph only.

F.—Statement of Net Revenue and Expenditure of the Government of India

PART II.—

	1883-84.	1884-85.	1885-86.	1886-87.	
	Rx.	*Rx.*	*Rx.*	*Rx.*	
I.—Debt Services	3,667,206	3,907,848	3,631,879	3,639,855	
II.—Military Services:					
1. Army	17,155,473	16,148,633	19,133,907	18,540,039	1
2. Military Works	975,397	909,232	927,762	873,254	2
3. Special Defence Works	- - -	- - -	- - -	325,626	3
Total	18,130,870	17,057,865	20,061,669	19,738,919	4
III.—Collection of Revenue:					
1. Land Revenue (including District Administration)	3,329,206	3,363,387	3,414,292	3,464,252	5
2. Opium	1,854,983	2,966,640	3,057,674	2,729,063	6
3. Forest	650,715	679,397	680,988	719,765	7
4. Other Heads	1,029,580	1,073,353	1,049,613	1,171,642	8
Total	6,864,484	8,082,777	8,202,567	8,084,722	9
IV.—Commercial Services:					
1. Post Office and Telegraph	410,825	441,207	433,795	217,702	10
2. Railways	305,239	1,051,751	731,713	1,188,668	11
3. Irrigation	548,175	573,017	715,469	653,949	12
Total	1,264,239	2,065,975	1,880,977	2,060,319	13
V.—Civil Services:					
1. Civil Departments	9,933,805	10,370,023	10,816,283	11,236,858	14
2. Miscellaneous Civil Charges	3,053,668	3,655,039	3,855,556	3,860,740	15
3. Famine Relief and Insurance	1,522,813	1,548,357	1,500,000	309,020	16
4. Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	(c) *—176,995*	263,501	632,055	183,077	17
5. Civil Works	4,283,257	3,484,948	2,941,933	3,600,939	18
	19,217,248	19,321,868	19,745,827	19,190,634	19
Add or *Deduct*—Provincial Surplus or Deficit	*464,679*	*288,944*	523,882	35,665	20
Total	18,752,569	19,032,924	20,269,709	19,226,299	21
	48,679,368	50,147,389	54,046,801	52,750,114	22
Excess of Income over Expenditure	1,879,707	- - -	- - -	178,427	23
	50,559,075	50,147,389	54,046,801	52,928,541	24

Fort William, Finance and Commerce Department,
21 March 1895.

in India and in England for the Ten Years from 1883–84 to 1892–93—*continued.*

EXPENDITURE.

	1887–88.	1888–89.	1889–90.	1890–91.	1891–92.	1892–93.
	Rx. 4,695,199	*Rx.* 3,870,437	*Rx.* 3,367,762	*Rx.* 3,264,254	*Rx.* 3,435,733	*Rx.* 3,504,536
1	19,357,119	19,239,478	19,733,107	19,904,433	21,600,197	22,554,791
2	1,191,647	1,065,662	1,094,944	1,176,631	1,164,724	1,151,525
3	456,017	789,595	689,481	491,837	604,848	458,060
4	**21,004,783**	**21,094,735**	**21,517,532**	**21,572,901**	**23,269,769**	**24,164,376**
5	3,486,685	3,513,957	3,624,194	3,676,596	3,835,126	3,936,345
6	2,424,575	2,597,905	1,605,107	2,180,797	1,861,813	1,602,496
7	719,794	792,000	780,035	784,113	843,926	865,225
8	1,114,164	1,119,181	1,114,892	1,148,754	1,220,084	1,232,564
9	**7,745,218**	**8,023,043**	**7,124,228**	**7,790,260**	**7,760,949**	**7,636,630**
		(*b*)	(*b*)		(*b*)	(*b*)
10	183,746	60,912	75,372	(*a*)	47,004	29,670
11	2,122,386	2,233,392	1.852,601	687,291	315,864	1,847,052
12	747,372	722,246	661,629	569,550	672,979	521,577
13	**3,053,504**	**3,016,550**	**2,589,602**	**1,256,841**	**1,035,847**	**2,398,299**
14	11,410,622	11,505,582	11,679,034	11,774,192	12,197,685	12,652,036
15	3,984,211	4,043,051	4,087,014	3,964,268	4,316,390	4,861,419
16	91,408	78,336	600,000	600,000	1,268,319	1,116,103
17	80,945	22,401	4,974	(*c*) —4,812	163,233	339,487
18	3,667,064	3,640,317	3,666,847	3,904,987	4,416,004	4,041,767
19	19,234,250	19,289,687	20,037,869	20,228,635	22,362,531	23,010,812
20	370,591	285,118	548,996	*198,627*	*240,924*	*177,359*
21	**19,604,841**	**19,574,805**	**20,586,865**	**20,030,008**	**22,121,607**	**22,833,453**
22	**56,103,545**	**55,579,570**	**55,185,989**	**53,914,264**	**57,623,905**	**60,537,294**
23	- - -	37,018	2,612,033	3,688,171	467,535	- - -
24	**56,103,545**	**55,616,588**	**57,798,022**	**57,602,435**	**58,091,440**	**60,537,294**

(*a*) This year the Income exceeded the Expenditure. (*b*) Post Office only. (*c*) Refund of past Expenditure.

H. G. Cowie,
Deputy Comptroller General.

A. F. Cox,
Officiating Comptroller General.

Stephen Jacob,
Officiating Secretary to the Government of India.

APPENDIX II.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1886-87.	1887-88.	1888-89.	
Recorded Revenue compared with the recorded Expenditure, excluding Capital Expenditure on Public Works not charged against Revenue:				
Surplus	*Rx.* 178,427		37,018	1
Deficit		2,028,832		2
Capital Expenditure on Public Works not charged against Revenue.*	„ 5,670,484	2,784,824	1,638,001	3
Capital Charge involved in Redemption of Liabilities	£. 4,914,546		10,336,049	4
Net Public Debt incurred	*Rx.* 9,727,538	5,435,799	13,487,881	5
Net Public Debt incurred, including Capital transactions with Guaranteed Railways, and other Companies.	„ 9,043,165	4,861,672	9,456,342	6
Value of commodities exported, excluding Gold and Silver	*Rx.* 88,470,000	90,544,000	97,049,000	7
Value of commodities imported, excluding Gold and Silver	„ 61,777,000	65,005,000	69,440,000	8
Excess of Exports over Imports, excluding Gold and Silver	„ 26,693,000	25,539,000	27,609,000	9
Net Imports of Gold	„ 2,177,000	2,992,000	2,814,000	10
Net Imports of Silver	„ 7,156,000	9,229,000	9,247,000	11
TOTAL Net Imports of Gold and Silver	„ 9,333,000	12,221,000	12,061,000	12
Excess of Exports over Imports, including Gold and Silver	„ 17,360,000	13,318,000	15,548,000	13
Grand Total Value of Imports and Exports of all kinds	„ 163,021,000	170,979,000	182,119,000	14
Secretary of State's Bills sold	*Rs.* 16,70,03,150	21,81,23,993	20,89,91,221	15
Sterling equivalent received	£. 12,136,279	15,358,577	14,262,859	16
Silver coined at the Indian Mints	*Rx.* 4,616,537	10,788,425	7,282,255	17
Maximum price in pence of an oz. Troy standard silver in London	*d.* 47⅛ (Jan.)	45⅛ (Dec.)	44 3/16 (Sept.)	18
Minimum - - ditto - - ditto	„ 42 (Aug.)	43 (Mar.)	41⅜ (May)	19
Average exchange upon Secretary of State's Bills sold per rupee.	1*s.* 5·441*d.*	1*s.* 4·899*d.*	1*s.* 4·379*d.*	20
Fixed rate of exchange for the adjustment of transactions between the Indian and Imperial Treasuries.	1*s.* 6¼*d.*	1*s.* 6*d.*	1*s.* 5*d.*	21
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta.	8 (June, July, Feb., and March.)	9 (April and May)	12 (Feb. & Mar.)	22
Minimum - - ditto - - ditto	5 (Nov., Dec., & Jan.)	3 (Oct. to Dec.)	4 (May to Sept.)	23
Maximum rate of discount at the Bank of England	5 (Dec. and Jan.)	4 (Sept. to Jan.)	5 (Oct. to Jan.)	24
Minimum - - ditto - - ditto	2 (April & May)	2 (April to Aug.)	2 (April & May)	25
Maximum Government Balances at the three Presidency Banks.	*Rx.* 4,594,600 (June)	3,595,900 (Feb.)	4,385,500 (June)	26
Minimum - - ditto - - ditto	„ 3,296,500 (Sept.)	2,861,500 (Dec.)	2,791,900 (Nov.)	27
Maximum price in Calcutta of Government 4 per Cent. Rupee Securities.	98-2 (Sept.)	100 (Oct.)	101-1 (Sept.)	28
Minimum - - ditto - - ditto	95-0 (Feb.)	95-4 (April)	96-6 (Jan.)	29
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts.	*Rx.* 19,707,100 (Oct.)	20,812,800 (March)	21,701,500 (March)	30
Minimum - - ditto - - ditto	„ 19,053,000 (Mar.)	18,916,300 (Oct.)	19,278,500 (May)	31
Maximum price in London of 4 per Cent. (Rupee) Securities, in gold.	73½ (Nov.)	70⅞ (Sept.)	69¼ (Sept.)	32
Minimum - - ditto - - ditto	65⅛ (Aug.)	67 (April)	65½ (May)	33
Maximum price in London of India 3½ per Cent. Stock	102 (May)	108 (Mar.)	108¾ (Mar.)	34
Minimum - - ditto - - ditto	100¼ (Sept.)	100½ (Sept.)	104 (Oct.)	35
Maximum price in London of India 3 per Cent. Stock	90 (April)	99⅝ (Mar.)	100⅜ (Feb.)	36
Minimum - - ditto - - ditto	85 (Feb.)	87¾ (April)	96 (May)	37
Maximum Government Paper Currency outstanding	*Rx.* 14,678,200 (Nov.)	18,610,300 (Nov.)	18,055,300 (July)	38
Minimum - - ditto - - ditto	„ 13,779,400 (April)	13,903,200 (May)	14,829,800 (Feb.)	39
Number of Savings Banks	6,230	6,152	6,237	40
Number of Depositors in Savings Banks	289,090	331,867	383,267	41
Amount deposited in Savings Banks	*Rx.* 5,795,249	6,675,571	7,622,544	42
Average of each deposit	„ 20	20	20	43
Net addition to deposits	„ 714,066	880,322	946,973	44

* Excludes Capital charge involved in redemption of Liabilities.

APPENDIX II.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1889–90.	1890–91.	1891–92.	1892–93.	1893–94.	Revised Estimate, 1894–95.	Budget, 1895–96.
1	2,612,033	3,688,171	467,535			990,500	40,200
2				833,412	1,546,998	—	—
3	3,173,390	3,365,632	3,500,000	3,986,290	3,621,252	5,200,000	4,400,000
4		4,692,557	—	—	—	—	—
5	5,129,018	6,293,714	3,038,293	—376,405	4,043,311	4,795,500	—890,100
6	3,913,426	3,639,498	1,891,901	315,875	3,331,845	4,067,700	—1,509,100
7	103,460,000	100,227,000	108,173,000	106,595,000	106,503,000	—	—
8	69,197,000	71,975,000	69,432,000	66,265,000	77,021,000	—	—
9	34,263,000	28,252,000	38,741,000	40,330,000	29,482,000	—	—
10	4,615,000	5,636,000	2,414,000	—2,813,000	641,000	—	—
11	10,938,000	14,175,000	9,022,000	12,864,000	13,720,000	—	—
12	15,553,000	19,811,000	11,436,000	10,051,000	14,361,000	—	—
13	18,710,000	8,441,000	27,305,000	30,279,000	15,121,000	—	—
14	192,024,000	196,260,000	195,615,000	196,829,000	206,086,000	—	—
15	22,41,86,638	21,18,69,300	23,08,28,115	26,47,84,151	15,72,36,031	31,16,67,000	31,16,67,000
16	15,474,496	15,969,034	16,093,854	16,532,215	9,530,235	17,000,000	17,000,000
17	8,541,158	13,193,473	5,553,970	12,611,528	4,902,499	—	—
18	44⅝ (Jan.)	54⅝ (Sept.)	46⅜ (July)	41¼ (June)	38¾ (June)	30½ (Aug.)	—
19	41 15/16 (May)	43⅞ (April)	39 (Mar.)	37⅝ (Mar.)	27 (Mar.)	27 3/16 (Dec. & Jan.)	—
20	1s. 4·566d.	1s. 6·089d.	1s. 4·733d.	1s. 2·985d.	1s. 2·547d.	1s. 1·091d.	1s. 1·091d.
21	1s. 4½d.	1s. 5d.	1s. 6½d.	1s. 4¾d.	1s. 2¾d.	1s. 3¼d. for 1st quarter & 1s. 1¼d. for the last three quarters.	1s. 1¼d.
22	11 (Feb. and Mar.)	12 (April)	5 (Jan. — Mar.)	6 (Jan.)	10 (Feb.)	9 (April)	—
23	4 (June, July & Oct.)	3 (Aug. to Feb.)	2 (Aug. and Sept.)	3 (May to Dec.)	4 (June 29 to Nov. 15) & (Nov. 30 to Jan. 10.)	3 (Sept. to Dec.)	—
24	6 (Jan. and Feb.)	6 (Nov.)	5 (May and June)	3 (April, Oct., Nov., Dec. and Jan.)	5 (Aug. & Sept.)	2	—
25	2½ (April & July)	3 (April, May, June, Feb., and March).	2½ (July, Aug., and Sept.)	2 (May to Oct.)	2 (Feb. & Mar.)	2	—
26	4,446,400 (March)	4,083,800 (June)	4,743,700 (June)	4,123,600 (May)	3,685,400 (June)	4,292,000 (Jan.)	—
27	2,856,900 (Nov.)	2,937,300 (Oct.)	2,871,600 (Oct.)	2,751,900 (Nov.)	3,016,400 (Nov.)	3,165,700 (Nov.)	—
28	100–10 (July)	106–6 (Jan.)	108–4 (June)	109–2 (May)	108–12 (June)	105–2 (June)	—
29	96–3 (Jan.)	99–7 (April)	104–10 (Feb.)	103–7 (Sept.)	99–4 (Feb.)	100 (Sept. to Nov.)	—
30	21,962,100 (Nov.)	26,724,500 (Mar.)	27,921,500 (Feb.)	27,256,600 (April)	25,978,300 (July)	—	—
31	21,586,900 (March)	21,498,900 (April)	26,531,900 (Aug.)	25,927,100 (Mar.)	24,127,500 (Mar.)	—	—
32	70⅛ (Jan.)	90¼ (Aug.)	78⅞ (July)	70⅝ (June)	71 (June)	59⅞ (Aug.)	—
33	66½ (Sept.)	70¼ (April)	66⅜ (Mar.)	62 9/16 (Aug.)	56⅞ (Feb.)	53 3/16 (May)	—
34	109¾ (May)	110 (Feb.)	108¾ (April)	110 (Mar.)	110⅛ (April)	115⅛ (Jan.)	—
35	106⅜ (Dec.)	104⅜ (Nov.)	103½ (June)	105 (Aug.)	106⅜ (Sept.)	108¼ (June)	—
36	102 (Aug.)	100⅝ (April)	97⅜ (April)	100¼ (Mar.)	100¼ (April)	105 (Jan.)	—
37	99 (April)	94¾ (Nov.)	93 (June)	95 (Aug.)	97 (Sept.)	98¾ (June)	—
38	16,667,800 (Nov.)	27,660,300 (Jan.)	27,040,700 (July)	29,065,000 (Aug.)	30,505,900 (Jan.)	32,355,400 (Nov.)	—
39	15,466,500 (Dec.)	17,419,600 (April)	22,624,200 (Jan.)	23,958,100 (Apl.)	24,216,000 (April)	29,500,000 (Jan.)	—
40	6,546	6,642	6,642	6,594	6,544	—	—
41	431,805	475,329	528,752	588,477	644,658	—	—
42	7,531,868	8,062,241	8,886,372	9,774,819	10,322,430	—	—
43	18	17	17	17	16	—	—
44	—90,676	530,373	824,131	888,447	547,775	—	—

APPENDIX II.—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE II.—SEA-BORNE TRADE for the YEAR. (Principal ARTICLES arranged in order of their DECLARED VALUE.)

No.	EXPORTS.		1889-90.	1890-91.	1891-92.	1892-93.	1893-94.
1	Cotton—						
	Raw:						
	Quantity	*Cwt.*	6,320,342	5,913,923	4,424,947	4,789,201	4,788,888
	Value	*Rx.*	18,668,404	16,502,775	10,754,312	12,743,679	13,296,670
	Average declared value per lb. — *Annas*		4 3	4 —	3 6	3 10	4 —
	Average declared value per lb. — *Pence, at average exchange*		4·4	4·52	3·66	3·59	3·64
	Twist and Yarn:						
	Quantity	*Lbs.*	141,949,951	169,275,304	161,253,234	189,174,726	134,066,243
	Value	*Rx.*	5,748,732	6,543,364	5,771,093	6,773,482	4,974,133
	Average declared value per lb.	*Annas*	6 6	6 2	5 9	5 9	5 11
	Other Manufactures:						
	Value	*Rx.*	1,005,011	1,159,275	1,264,003	1,327,175	1,268,425
	Average declared value per yard — Grey or unbleached	*Annas*	1 9	1 10	1 10	1 10	1 11
	Average declared value per yard — Coloured, printed, or dyed	„	4 6	4 8	4 7	4 5	5 1
	Percentage of manufactures on whole value exported		26·57	31·82	39·55	38·86	31·95
2	Seeds:						
	Quantity	*Cwt.*	15,794,742	14,798,999	19,164,522	16,509,161	24,229,341
	Value	*Rx.*	10,627,553	9,343,252	12,208,458	11,631,015	16,753,251
	Average declared value of linseed, per cwt. — *Rupees*		6 10 —	6 2 9	6 4 —	7 1 1	7 5 3
	Average declared value of linseed, per cwt. — *Shillings, at average exchange*		9·15	9·3	8·71	8·83	8·88
3	Jute:						
	Raw and manufactured—Value	*Rx.*	11,431,103	10,083,972	9,361,594	11,182,217	11,965,917
	Average declared value of raw jute per cwt. — *Rupees*		8 6 9	6 5 6	8 — 5	7 8 7	9 12 11
	Average declared value of raw jute per cwt. — *Shillings, at average exchange*		11·63	9·56	11·19	9·41	11·89
	Percentage of manufactures on whole value exported		24·42	24·61	26·84	28·96	28·76
4	Rice and Paddy:						
	Quantity	*Cwt.*	27,098,906	34,963,341	33,166,929	27,938,325	24,647,907
	Value	*Rx.*	10,110,482	12,877,740	13,385,971	12,406,719	10,384,739
	Average declared value of husked rice, per cwt. — *Rupees*		3 12 1	3 11 3	4 1 —	4 7 8	4 4 3
	Average declared value of husked rice, per cwt. — *Shillings, at average exchange*		5·18	5·58	5·66	5·59	5·17
5	Opium:						
	Quantity	*Chests*	85,166	85,753	87,558	75,384	70,841
	Value	*Rx.*	10,115,936	9,261,815	9,562,261	9,255,014	8,019,428
	Average declared value per chest	*Rupees*	1,188	1,080	1,092	1,228	1,132
6	Tea:						
	Quantity	*Lbs.*	103,760,104	107,014,993	120,149,407	114,722,447	126,332,475
	Value	*Rx.*	5,277,650	5,219,233	5,968,129	6,292,348	6,585,835
	Average declared value per lb. — *Annas*		8 2	7 10	7 11	8 9	8 4
	Average declared value per lb. — *Shillings, at average exchange*		·7	·74	·69	·68	·63
7	Hides and Skins:						
	Quantity	*No.*	30,955,168	32,733,651	35,862,345	37,425,517	36,215,661
	Value	*Rx.*	4,524,261	4,695,919	5,186,002	5,591,935	5,801,328
	Percentage of dressed or manufactured on whole value exported		55·79	53·99	54·36	52·82	55·74
8	Wheat:						
	Quantity	*Cwt.*	13,799,224	14,320,496	30,303,425	14,973,453	12,156,551
	Value	*Rx.*	5,791,377	6,042,426	14,380,462	7,440,383	5,193,885
	Average declared value per cwt. — *Rupees*		4 3 2	4 3 6	4 11 11	4 15 6	4 4 4
	Average declared value per cwt. — *Shillings, at average exchange*		5·8	6·36	6·62	6·2	5·18
9	Indigo:						
	Quantity	*Cwt.*	157,116	118,425	125,327	126,703	131,399
	Value	*Rx.*	3,863,084	3,073,125	3,214,076	4,141,179	4,182,128
	Average declared value per cwt. — *Rupees*		245 14 —	259 8 —	256 7 3	326 13 6	318 4 5
	Average declared value per cwt. — *Sterling, at average exchange*	£.	16·97	19·56	17·88	20·41	19·29
10	Coffee:						
	Quantity	*Cwt.*	239,795	233,451	311,864	296,687	278,735
	Value	*Rx.*	1,489,872	1,454,985	1,998,659	2,066,862	2,002,171
	Average declared value per cwt. — *Rupees*		62 2 1	62 5 2	64 1 5	69 10 8	71 13 3
	Average declared value per cwt. — *Shillings, at average exchange*		85·77	93·95	89·37	87·	87·07
11	Wool:						
	Raw and manufactured—Value	*Rx.*	1,211,438	1,072,489	1,108,653	1,236,658	1,226,434
	Average declared value of raw wool per lb. — *Annas*		7 3	7 3	7 3	7 3	7 1
	Average declared value of raw wool per lb. — *Pence, at average exchange*		7·51	8·2	7·58	6·79	6·44
12	Lac:						
	Value	*Rx.*	489,380	781,945	751,474	784,950	960,330
13	Silk:						
	Raw and manufactured—Value	*Rx.*	900,539	724,249	702,584	814,752	940,516
	Average declared value of raw silk per lb. — *Rupees*		3 1 —	2 15 4	3 1 11	3 6 3	3 15 1
	Average declared value of raw silk per lb. — *Shillings, at average exchange*		4·23	4·46	4·35	4·23	4·78
14	Sugar:						
	Value	*Rx.*	917,179	417,562	508,417	507,914	892,741
15	Oils:						
	Value	*Rx.*	555,007	563,784	604,046	633,626	535,881
16	Teak Wood:						
	Quantity	*Cubic Tons*	71,342	42,803	48,190	58,350	45,964
	Value	*Rx.*	762,998	425,303	474,852	570,102	457,447
	Average declared value per cubic ton — *Rupees*		106 15 2	99 5 10	98 8 7	97 11 3	99 8 4
	Average declared value per cubic ton — *Sterling, at average exchange*	£.	7·38	7·49	6·87	6·1	6·03
17	Saltpetre:						
	Quantity	*Cwt.*	422,229	399,690	389,185	443,931	321,933
	Value	*Rx.*	411,276	380,059	365,618	438,940	338,102
	Average declared value per cwt. — *Rupees*		9 11 10	9 8 2	9 6 4	9 14 2	10 8 —
	Average declared value per cwt. — *Shillings, at average exchange*		13·45	14·34	13·1	12·34	12·73

APPENDIX II.—*continued.*

TABLE II.—SEA-BORNE TRADE for the Year, &c.—*continued.*

No.	IMPORTS.	1889–90.	1890–91.	1891–92.	1892–93.	1893–94.
1	Cotton—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	46,383,843	50,973,105	50,410,630	38,296,716	42,824,221
	Value - - - - - - - - - *Rx.*	3,482,747	3,768,505	3,514,763	2,684,963	3,110,069
	Average declared value per lb. *Annas* - - - - - -	12·01	11·83	11·16	11·22	11·62
	Average declared value per lb. *Pence, at average exchange* - -	12·43	13·37	11·67	10·51	10·56
	Other Manufactures:					
	Value - - - - - - - - - *Rx.*	26,398,597	27,248,395	25,180,682	22,974,002	29,297,739
	TOTAL COTTON GOODS—Gross Imports - *Rx.*	29,881,344	31,016,900	28,695,445	25,658,965	32,407,808
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	*1,270,444*	*1,243,380*	*1,648,822*	*1,357,055*	*1,108,901*
	Value - - - - - - - - - *Rx.*	*91,382*	*83,801*	*113,665*	*90,822*	*79,966*
	Other Manufactures:					
	Value - - - - - - - - - *Rx.*	*1,728,358*	*1,710,493*	*1,817,165*	*1,732,879*	*1,645,931*
	Total Re-exports - *Rx.*	*1,819,740*	*1,794,294*	*1,930,830*	*1,823,701*	*1,725,897*
	TOTAL COTTON GOODS—Net Imports - *Rx.*	28,061,604	29,222,606	26,764,615	23,835,264	30,681,911
2	Metals - - - - - - - - - *Value Rx.*	5,983,709	6,024,466	6,033,543	5,815,867	6,727,225
3	Oils - - - - - - - - - „	2,645,213	2,634,187	2,635,955	2,919,162	3,570,188
4	Silk (Raw and Manufactured) - - - - - „	2,845,159	2,501,430	3,014,698	2,817,651	3,188,053
5	Sugar - - - - - - - - - „	2,200,049	3,399,886	2,561,996	2,625,683	2,824,190
6	Machinery and Millwork - - - - - - „	2,491,428	2,160,483	2,180,019	2,477,835	2,607,028
7	Railway Plant and Rolling Stock - - - - „	2,907,086	3,236,786	2,505,471	2,321,989	2,334,563
8	Woollen Manufactures - - - - - - „	1,597,549	1,952,600	1,874,896	1,674,088	2,028,427
9	Provisions - - - - - - - - - „	1,596,565	1,476,070	1,771,793	1,862,055	1,782,868
10	Liquors - - - - - - - - - „	1,489,121	1,438,081	1,449,411	1,447,267	1,458,393
11	Apparel - - - - - - - - - „	1,200,020	1,235,804	1,274,497	1,272,263	1,444,869
12	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - - - - - - *Tons*	609,218	799,149	759,709	681,997	576,645
	Value - - - - - - - - - *Rx.*	1,304,591	1,551,667	1,269,777	1,181,606	992,953
	Average declared value per ton *Rupees* - - - - - -	21·41	19·42	16·71	17·33	17·22
	Average declared value per ton *Shillings, at average exchange* - -	29·56	29·27	23·3	21·64	20·87
13	Spices - - - - - - - - - *Value Rx.*	852,350	813,115	797,196	623,633	873,655
14	Salt:					
	Quantity - - - - - - - - - *Tons*	410,808	395,243	373,953	360,042	412,876
	Value - - - - - - - - - *Rx.*	894,532	779,034	627,953	576,694	791,067
	Average declared value per ton - *Rupees* - - - - - -	21·77	19·71	16·79	16·02	19·16
	Average declared value per ton - *Shillings, at average exchange* - -	30·05	29·71	23·41	20·	23·23

TABLE III.—SEA-BORNE TRADE for the first ELEVEN MONTHS of the Year. (Principal ARTICLES arranged in order of their DECLARED VALUE.)

	1890–91.	1891–92.	1892–93.	1893–94.	1894–95.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Value of commodities Exported, excluding gold and silver	89,726,199	97,121,568	94,651,294	95,562,500	99,299,360
Value of commodities Imported, excluding gold and silver	65,893,996	63,228,773	60,227,814	70,232,959	67,331,684
EXCESS EXPORTS - - - *Rx.*	23,832,203	33,892,795	34,423,480	25,329,541	31,967,676
Net Imports of silver - - - - - - - -	13,256,180	6,757,530	11,773,557	12,713,816	5,576,723
Net Imports of gold - - - - - - - -	5,289,211	2,761,390	—2,964,982	961,433	—4,908,362
TOTAL NET IMPORTS of Gold and Silver - *Rx.*	18,545,391	9,518,920	8,808,575	13,680,249	668,361
GRAND TOTAL IMPORTS AND EXPORTS OF ALL KINDS - - - - - - *Rx.*	178,052,317	175,181,058	177,219,520	186,413,171	182,924,949

APPENDIX II.—*continued.*

TABLE III.—SEA-BORNE TRADE for the first Eleven Months of the Year, &c.—*continued.*

No.	EXPORTS.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1890–91.	1891–92.	1892–93.	1893–94.	1894–95.
1	Cotton, Raw:					
	Quantity - - - - - *Cwt.*	5,014,020	3,736,951	4,177,229	4,007,902	3,076,555
	Value - - - - - *Rx.*	14,104,585	9,170,455	10,679,691	11,170,486	7,980,650
	Average value per lb. - - - R.	- 4 -	- 3 6	- 3 8	- 4 -	- 3 8
	Cotton Manufactures—					
	Twist and Yarn:					
	Quantity - - - - - *Lbs.*	155,991,420	148,139,276	172,295,305	118,069,436	145,449,400
	Value - - - - - *Rx.*	6,065,325	5,342,604	6,101,487	4,392,476	5,197,559
	Average value per lb. - - R.	- 6 3	- 5 9	- 5 8	- 5 11	- 5 9
	Other Manufactures - *Value Rx.*	1,057,389	1,121,810	1,210,580	1,136,754	1,356,497
	TOTAL COTTON (Raw and Manufactured) Value *Rx.*	21,227,299	15,634,869	17,991,758	16,699,716	14,534,697
2	Jute (Raw and Manufactured) *Value Rx.*	9,272,242	8,843,939	10,339,638	11,024,686	13,609,946
3	Seeds:					
	Quantity - - - - - *Cwt.*	13,340,316	17,331,454	14,302,375	21,898,776	19,626,362
	Value - - - - - *Rx.*	8,410,665	10,963,820	9,948,101	15,211,900	13,349,724
	Average value per cwt. - - R.	6 4 11	6 5 3	6 15 3	6 15 2	6 12 10
4	Rice and Paddy:					
	Quantity - - - - - *Cwt.*	28,562,506	27,020,659	21,787,509	20,024,783	27,876,294
	Value - - - - - *Rx.*	10,679,965	10,967,914	9,999,037	8,714,628	11,432,551
	Average value per cwt. - - R.	3 11 10	4 - 11	4 9 5	4 5 8	4 1 7
5	Opium:					
	Quantity - - - - *Chests*	79,747	80,924	70,201	66,455	65,432
	Value - - - - - *Rx.*	8,632,376	8,783,417	8,593,894	7,541,865	8,617,608
	Average value per chest - - R.	1,082 7 6	1,085 6 3	1,224 2 11	1,134 14 2	1,317 0 6
6	Tea:					
	Quantity - - - - - *Lbs.*	104,560,038	117,599,484	113,756,547	125,061,810	126,716,964
	Value - - - - - *Rx.*	5,103,727	5,861,567	6,240,214	6,520,798	7,426,071
	Average value per lb. - - - R.	- 7 10	- 8 -	- 8 9	- 8 4	- 9 4
7	Hides and Skins:					
	Quantity - - - - - *Cwt.*	732,613	773,551	773,491	749,706	842,924
	Value - - - - - *Rx.*	4,186,839	4,676,085	4,951,751	5,186,836	5,874,626
	Average value per cwt. - - R.	57 2 5	60 7 2	64 - 3	69 3 -	69 11 1
8	Indigo:					
	Quantity - - - - - *Cwt.*	111,715	121,165	122,562	123,782	155,926
	Value - - - - - *Rx.*	2,930,555	3,121,033	4,035,959	4,001,224	4,505,907
	Average value per cwt. - - R.	262 5 2	257 9 4	329 4 9	323 4 -	288 15 8
9	Wheat:					
	Quantity - - - - - *Cwt.*	13,505,683	28,587,884	14,518,266	11,488,839	6,592,480
	Value - - - - - *Rx.*	5,691,051	13,506,942	7,206,490	4,944,148	2,454,847
	Average value per cwt. - - R.	4 3 5	4 11 7	4 15 5	4 4 10	3 11 7
10	Coffee:					
	Quantity - - - - - *Cwt.*	195,785	211,201	203,862	201,752	203,612
	Value - - - - - *Rx.*	1,217,545	1,336,844	1,383,017	1,444,860	1,579,862
	Average value per cwt. - - R.	62 3 -	63 4 9	67 13 5	71 9 10	77 9 6
11	Wool (Raw and Manufactured) *Value Rx.*	932,654	1,016,880	1,127,040	1,099,635	1,436,031
12	Lac - - - - - - „ *Rx.*	693,894	624,279	683,493	803,569	1,215,869
13	Oils - - - - - - „ *Rx.*	493,646	557,514	565,482	476,125	678,226
14	Silk (Raw and Manufactured) „ *Rx.*	651,491	640,035	713,287	859,735	585,175
15	Teak Wood:					
	Quantity - - - *Cubic Tons*	38,867	42,131	53,768	40,968	51,967
	Value - - - - - *Rx.*	386,835	422,758	524,469	409,052	522,991
	Average value per cubic ton - R.	99 8 5	100 5 6	97 8 8	99 13 7	100 9 11
16	Sugar - - - - - *Value Rx.*	335,677	455,449	418,636	715,127	511,966
17	Saltpetre:					
	Quantity - - - - - *Cwt.*	351,749	337,410	407,980	296,844	374,078
	Value - - - - - *Rx.*	336,137	316,693	402,317	310,246	388,001
	Average value per cwt. - - R.	9 8 11	9 6 2	9 13 9	10 7 3	11 9 10

APPENDIX II.—*continued.*

TABLE III.—SEA-BORNE TRADE for the first Eleven Months of the Year, &c.—*continued.*

No.	IMPORTS.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1890-91.	1891-92.	1892-93.	1893-94.	1894-95.
1	Cotton—					
	Twist and Yarn:					
	Quantity - - - - - *Lbs.*	46,539,279	46,671,847	35,493,626	38,971,912	36,579,056
	Value - - - - - - *Rx.*	3,446,744	3,255,329	2,471,858	2,821,488	2,537,184
	Average value per lb. - - R.	- 11 10	- 11 2	- 11 2	- 11 7	- 11 1
	Ditto - in sterling, at average exchange.	1*s.* 1$\frac{3}{8}$*d.*	11$\frac{1}{4}$*d.*	10$\frac{1}{2}$*d.*	10$\frac{3}{8}$*d.*	9*d.*
	Other Manufactures - *Value Rx.*	24,853,696	22,787,025	21,118,447	26,352,955	27,625,688
	TOTAL COTTON GOODS—Gross Imports - - *Rx.*	28,300,440	26,042,354	23,590,305	29,174,423	30,162,872
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - - Lbs.	*1,096,760*	*1,511,343*	*1,166,231*	*1,045,521*	*1,700,315*
	Value - - - - - - Rx.	*74,171*	*104,752*	*78,136*	*76,144*	*108,892*
	Average value per lb. - - R.	*- 10 10*	*- 11 1*	*- 10 9*	*- 11 8*	*- 10 3*
	Other Manufactures - Value Rx.	*1,566,313*	*1,646,278*	*1,565,428*	*1,514,695*	*1,954,102*
	Total Re-exports - - - Rx.	*1,640,484*	*1,751,030*	*1,643,564*	*1,590,839*	*2,062,994*
	TOTAL COTTON GOODS—Net Imports - - *Rx.*	26,659,956	24,291,324	21,946,741	27,583,584	28,099,878
2	Metals - - - - *Value Rx.*	5,455,500	5,415,524	5,196,917	6,137,131	4,936,744
3	Railway Plant and Rolling Stock. „	3,007,161	2,316,905	1,946,469	2,070,338	2,627,510
4	Sugar - - - - - - „	3,151,785	2,343,207	2,411,748	2,504,116	2,508,088
5	Machinery and Millwork - „	1,990,591	2,003,485	2,210,794	2,427,495	2,335,515
6	Silk (Raw and Manufactured) - „	2,325,637	2,781,800	2,599,167	2,997,401	2,163,199
7	Oils - - - - - - „	2,333,735	2,380,008	2,502,668	3,258,222	1,894,038
8	Woollen Manufactures - - „	1,826,269	1,776,770	1,584,000	1,935,698	1,599,221
9	Provisions - - - - - „	1,371,276	1,635,619	1,737,502	1,680,861	1,452,251
10	Liquors - - - - - - „	1,305,065	1,307,768	1,317,482	1,343,815	1,329,080
11	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - *Tons*	721,367	656,702	600,075	497,746	729,229
	Value - - - - - - *Rx.*	1,409,911	1,099,769	1,041,318	853,140	1,280,652
	Average value per ton - - - R.	19 8 9	16 11 11	17 5 8	17 2 3	17 9 -
12	Apparel - - - - *Value Rx.*	1,144,296	1,177,139	1,161,311	1,349,581	1,229,735
13	Salt:					
	Quantity - - - - *Tons*	366,090	341,356	323,276	377,355	469,750
	Value - - - - - - *Rx.*	717,839	575,185	518,194	716,611	765,551
	Average value per ton - - - R.	19 9 9	16 13 7	16 - 6	18 15 10	16 4 9
14	Spices - - - - *Value Rx.*	738,982	722,841	562,400	790,946	712,282

APPENDIX II.—*continued.*

TABLE IV.—WHOLESALE PRICES of TYPICAL COMMODITIES in GOLD and SILVER in *London* and *Calcutta* in December in each Year.

(Prices of March 1873 = 100.)

	Measured in Gold.								Measured in Silver.*							
In LONDON— (Prices quoted from the London "Economist"):	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.
Scotch pig iron (warrants)	37	35	50	40	40	35	37	36	49	50	68	50	54	54	69	75
Coals, Hetton, Wallsend (London).	49	51	63	55	52	48	70	47	66	71	86	69	71	73	131	99
Copper, Chili bars	95	87	55	62	52	53	48	44	127	121	75	79	70	82	91	93
Tin, Straits	115	68	67	64	63	64	52	43	153	95	92	80	85	97	98	90
Wheat	56	55	55	59	71	57	49	36	74	78	75	74	96	86	91	76
Flour, town-made	54	61	57	65	66	52	47	38	73	85	78	82	89	80	88	80
Beef, inferior	75	67	87	70	80	75	80	75	100	95	119	88	108	115	150	157
Cotton, No. 40, mule twist	62	65	64	68	57	57	54	44	84	91	88	85	77	87	100	92
Wool, Southdown hogs	55	54	59	59	59	55	55	52	73	75	80	74	79	84	103	110
Sugar, Manilla, low brown	56	53	45	55	58	51	45	35	75	75	61	69	78	78	84	74
Coffee	102	101	112	118	114	120	119	119	136	142	153	149	155	183	223	250
Saltpetre	77	77	78	78	77	77	78	79	103	107	107	99	103	118	147	166
Gold	–	–	–	–	–	–	–	–	134	140	137	126	135	153	187	219
Silver	75	71	73	79	74	65	53	47	–	–	–	–	–	–	–	–
In CALCUTTA—(Prices quoted from the Calcutta "Price Current"):																
Grey shirtings (8 to 9 lbs.)									79	81	76	74	74	77	70	70
Mule twist, grey yarn, Banner mill, 10 lbs.									72	75	74	71	65	73	69	70
„ „ Turkey r. d, No. 40, full weight									58	57	57	56	57	61	62	62
„ „ Orange, Nos. 40—60									86	85	85	77	73	76	80	80
Copper sheathing									90	90	69	72	72	80	83	93
Iron, flat, bolt, bar, and square, common									59	65	79	64	64	97	96	103
Spelter, hard									128	107	144	151	151	217	125	130
Hides, buffalo, slaughtered, Patna									69	74	Nom.	Nil	Nil	Nil	Nil	Nil.
Indigo, good, middling to good									82	93	76	88	74	114	108	99
Jute (C.C.)									153	192	192	123	219	186	222	167
Shell-lac, Europe, 1st orange									68	76	102	76	102	Nom	127	161
Linseed, bold									94	112	115	99	112	128	53	127
Rice, Ballam, No. 1									118	147	165	159	168	196	200	162
Silk, raw, Cossimbazar									64	76	87	71	64	79	71	69
Tea, Souchong, fair									50	52	50	48	41	59	43	61
Wheat, Doodiah, Club No. 2									76	87	81	86	103	96	78	81
Gold									131	135	131	122	131	148	146	169

* The values measured in silver in London have been calculated from the values in gold on the basis of the price of standard silver in London.

APPENDIX II.—*continued.*

TABLE V.—STATEMENT showing the true Financial Results to the REVENUES of *India* of the Guarantee of Interest upon the Capital of GUARANTEED RAILWAY COMPANIES.

	1889–90.	1890–91.	1891–92.	1892–93.	1893–94.	Revised Estimate, 1894–95.	Budget Estimate, 1895–96.
	Miles.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open Mileage at end of official year.	3,243	* 2,588	2,588	2,587	2,587	2,587	2,587
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Gross Traffic Receipts - - -	6,534,567	6,753,013	6,846,420	6,301,935	6,461,042	6,069,000	6,560,000
Working Expenses - - -	3,365,933	3,251,739	3,353,302	3,057,522	3,077,230	3,030,000	3,065,000
Percentage of Working Expenses on Receipts - - - - -	51·50	48·15	48·98	48·52	47·63	49·93	46·72
Net Traffic Receipts - - -	3,168,634	3,501,274	3,493,118	3,244,413	3,383,812	3,039,000	3,495,000
Net Gain by the remittance to England of Capital Receipts and Disbursements in India at the contract rates of exchange, instead of at the average yearly rates obtained for the Secretary of State's Bills - - - -	—	—	—	—	—	—	—
TOTAL Revenue - - -	3,168,634	3,501,274	3,493,118	3,244,413	3,383,812	3,039,000	3,495,000
Gross Guaranteed Interest paid in India - - - - *Rx.*	9,468	7,597	37,171	2,673	2,495	6,800	2,150
Gross Guaranteed Interest paid in London - - - - £.	2,337,058	2,354,130	2,114,159	2,145,297	2,154,720	2,154,600	2,161,300
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Total Guaranteed Interest (sterling payments converted at the average exchange of the year) -	3,395,279	3,130,941	3,069,430	3,438,635	3,557,493	3,956,900	3,964,600
Surplus paid to Railway Companies - - - - - -	441,933	473,334	737,659	581,924	571,255	599,800	585,000
Land and Supervision - - -	30,952	42,987	19,257	29,423	34,003	32,100	33,000
Net Loss on Receipts and Disbursements of Capital in India, calculated in the same way as the Gain - - - - - -	142,733	87,538	131,960	145,383	133,548	62,100	80,600
TOTAL Expenditure - - -	4,010,897	3,734,800	3,958,306	4,195,365	4,296,299	4,650,900	4,663,200
Net Expenditure from the Public Treasury - - - - - -	842,263	233,526	465,188	950,952	912,487	1,611,900	1,168,200
Net Revenue - - - - -	—	—	—	—	—	—	—

* The South Indian Railway, 654½ miles, was purchased by the State on the 1st January 1891, and the mileage is shown under State Railways.

APPENDIX II.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS in 1893–94, and ESTIMATED EXPENDITURE on such Works in 1894–95 and 1895–96, and to end of 1895–96.

RAILWAYS.	To end of 1892-93.	Accounts, 1893–94.	Revised Estimate, 1894–95.	Budget Estimate, 1895–96.	To end of 1895–96.	Sanctioned Outlay.	Balance remaining unspent.
OPEN LINES.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian, including Jherria Extension.	15,079,819	543,377	354,100	310,000	16,287,296	16,287,296	—
Rajputana-Malwa	9,316,362	38,340	146,200	39,300	9,540,202	9,540,202	—
Holkar	1,306,264	2,179	300	5,800	1,314,543	1,314,543	—
Cawnpore-Achnera	1,154,939	7,590	5,500	10,800	1,178,829	1,178,829	—
Rewari-Ferozepore	1,281,052	1,731	7,200	7,700	1,297,683	1,297,683	—
Palanpur-Deesa	11,433	9,163	800	6,400	27,796	27,796	—
Bhopal	194,605	19,215	14,000	7,500	235,320	235,320	—
Wardha Coal	498,769	- -	- -	10,500	509,269	509,269	—
Warora Colliery	156,434	11,260	43,400	18,400	229,494	229,494	—
Umaria Colliery	103,770	— 4,247	5,200	5,200	109,923	109,923	—
Burma	5,282,445	63,688	34,700	— 8,900	5,371,933	5,371,933	—
Jorhat	78,899	2,184	1,100	4,600	86,783	86,783	—
Cherra-Companygang	77,830	70	200	- -	78,100	78,100	—
Eastern Bengal	8,532,004	105,544	64,500	120,000	8,822,048	8,822,048	—
Tirhoot	2,485,903	12,460	50,500	70,000	2,618,863	2,618,863	—
Lucknow-Rae Bareli Section	163,289	82,520	80,300	164,300	11,620,757	11,620,757	—
Oudh and Rohilkhand	10,344,159	36,566					
Bareilly-Rampur-Moradabad	270,448	392,975	86,200				
Lucknow-Bareilly	512,114	- -	- -	- -	512,114	512,114	—
North Western	34,971,352	183,972	204,700	84,000	35,444,024	35,444,024	—
Guntakal-Mysore frontier	575,879	9,931	1,000	5,000	591,810	591,810	—
South Indian	7,210,330	75,035	20,000	85,000	7,390,365	7,390,365	—
Bezváda Extension	142,153	500	500	- -	143,153	143,153	—
Dhond and Manmad	1,108,704	9,382	5,100	28,600	1,151,786	1,151,786	—
Mayavaram-Mutupet	163,176	63,993	12,800	3,800	243,769	243,769	—
Hyderabad-Umarkot	163,042	7,655	6,000	1,000	177,697	177,697	—
Petroleum Operations	14,381	— 1,914	— 200	- -	12,267	12,267	—
Frontier Railway Reserve Material	421,948	13,847	1,400	- -	437,195	437,195	—
Peshawar Railway Reserve Material	36,776	- -	- -	- -	36,776	36,776	—
TOTAL	101,658,279	1,687,016	1,145,500	979,000	105,469,795	105,469,795	—
LINES UNDER CONSTRUCTION.							
Rutlam-Ujjain	- -	- -	30,000	240,000	270,000	466,842	196,842
Godhra-Rutlam	924,253	427,045	193,400	35,000	1,579,698	* 1,580,441	743
Mu Valley	1,528,733	270,309	304,600	120,000	2,223,642	2,368,121	144,479
Assam-Bengal (Construction)	- -	- -	733,900	305,000	1,038,900	1,038,900	—
Assam-Bengal (Land)	14,231	67,004	127,500	195,000	403,735	431,835	28,100
Gradient Improvements	491,953	144,860	109,300	— 26,100	720,013	* 718,622	—1,391
Karachi-Kotri (doubling line)	- -	- -	- -	103,400	103,400	* 577,724	474,324
Kotri-Rohri	- -	- -	247,000	500,000	747,000	1,346,294	599,294
Wazirabad-Lyallpur	- -	- -	50,000	170,000	220,000	392,115	172,115
Mushkaf-Bolan	451,183	561,486	622,000	351,400	1,986,069	* 2,263,705	277,636
Mari-Attock	299,011	83,602	80,000	150,000	612,613	1,372,856	760,243
East Coast	2,853,997	975,989	768,000	500,000	5,097,986	5,576,737	478,751
Madras-Bezvada (Ennore Section)	- -	- -	17,000	30,000	47,000	60,000	13,000
Cawnpore-Lucknow-Gogra	- -	- -	105,300	140,000	245,300	* 376,926	131,626
TOTAL	6,563,361	2,530,295	3,388,000	2,813,700	15,295,356	18,571,118	3,275,762
Carried forward	108,221,640	4,217,311	4,533,500	3,792,700	120,765,151	124,040,913	3,275,762

* Estimated cost, not yet sanctioned.

APPENDIX II.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS, &c.—*continued.*

RAILWAYS.	To end of 1892-93.	Accounts, 1893-94.	Revised Estimate, 1894-95.	Budget Estimate, 1895-96.	To end of 1895-96.	Sanctioned Outlay.	Balance remaining unspent.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward - - -	108,221,640	4,217,311	4,533,500	3,792,700	120,765,151	124,040,913	3,275,762
LINES IN ABEYANCE OR TRANSFERRED TO COMPANIES, &c.							
Ranaghat-Bhagwangola - - -	30,244	- -	- -	- -	30,244	30,244	—
Southern Mahratta (Depreciation on Stores, &c.).	52,707	- -	- -	- -	*52,707	52,707	—
Bellary-Kistna - - - - - -	1,657,753	- -	- -	- -	1,657,753	1,657,753	—
Bilaspur-Etawah - - - - -	7,514	- -	- -	- -	7,514	7,514	—
Vizagapatam-Raipur - - -	24,504	- -	- -	- -	24,504	24,504	—
Nagpur - Chhattisgarh Depreciation Account.	49,730	3,702	2,800	- -	56,232	56,232	—
TOTAL - - -	1,822,452	3,702	2,800	- -	1,828,954	1,828,954	—
Stores and Reserve - - - -	158,535	—146,589	93,800	116,700	222,446	222,446	—
	110,202,627	4,074,424	4,630,100	3,909,400	122,816,551	126,092,313	3,275,762
Deduct,—Over-allotments -	- -	- -	- -	—200,000	—200,000	—200,000	—
TOTAL - - -	110,202,627	4,074,424	4,630,100	3,709,400	122,616,551	125,892,313	3,275,762
Distributed as under :—							
Capital Expenditure on Public Works (not charged against Revenue) :							
State Railways—Construction	65,841,402	2,939,568	4,610,000	3,700,000	77,090,970	—	—
Redemption of Liabilities -	33,553,451	- -	- -	- -	33,553,451	—	—
Famine Relief and Insurance :							
Protective Railways - -	4,403,243	1,060,954	- -	- -	5,464,197	—	—
Construction of Railways (charged against Revenue in addition to that under Famine Insurance) -	6,404,531	73,902	20,100	9,400	6,507,933	—	—
TOTAL as above - - -	110,202,627	4,074,424	4,630,100	3,709,400	122,616,551	125,892,313	3,275,762

* Represents depreciation on works and stores allowed by Government on transfer to the Company.

APPENDIX II.—*continued.*

TABLE VII.—CAPITAL EXPENDITURE on IRRIGATION—MAJOR WORKS, in 1893-94, and ESTIMATED EXPENDITURE on such Works in 1894-95, 1895-96, and to the end of 1895-96, &c.

	Accounts, 1893-94.	Revised Estimate, 1894-95.	Budget Estimate, 1895-96.	Total Actual and Estimated Outlay to end of 1895-96.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
IRRIGATION WORKS. CAPITAL EXPENDITURE NOT CHARGED AGAINST REVENUE.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Bengal.						
Orissa Canals	35,682	29,500	11,100	2,573,270	3,145,490 (a)	572,220
Midnapore Canal:						
Old outlay	-	-	-	822,251	831,677	—
Outlay against Open Capital sanctions	260	-	1,000	4,880	5,632	752
Hidgellee Tidal Canal:						
Old outlay	-	-	-	179,549	177,269	—
Outlay against Supplementary Estimate	—828	10,600	16,500	73,826	76,915	3,089
Sone Canals:						
Old outlay	-	-	-	2,535,663	2,788,870	—
Outlay against Open Capital sanctions	16,680	4,900	3,700	68,451	71,264	2,813
North Western Provinces and Oudh.						
Ganges Canal:						
Old outlay	-	-	-	2,685,061	2,923,592	—
Outlay against Open Capital sanctions	12,675	27,500	35,900	103,950	81,164	—
Lower Ganges Canal:						
Old outlay	-	-	-	3,099,851	3,273,832	—
Outlay against Open Capital sanctions	29,941	26,200	19,600	118,215	115,523	—
Fatehpur Branch	-	-	49,200	49,200	342,000	292,800
Agra Canal:						
Old outlay	-	-	-	849,147	871,752	—
Outlay against Open Capital sanctions	3,589	7,300	9,700	25,529	27,172	1,643
Eastern Jumna Canal:						
Old outlay	-	-	-	318,507	344,191	—
Outlay against Open Capital sanctions	1,004	5,000	6,600	22,019	22,308	289
Punjab.						
Western Jumna Canal:						
Old outlay	-	-	-	1,051,643	1,078,050	—
Outlay against Open Capital sanctions	12,225	26,000	40,500	105,977	122,057	16,080
Western Jumna Canal, Sirsa Branch (State outlay).	44,163	50,000	10,000	282,033	289,269	7,236
Bari Doab Canal:						
Old outlay	-	-	-	1,572,350	1,579,860	—
Outlay against Open Capital sanctions	51,090	36,000	22,500	144,955	132,954	—
Carried over	206,481	223,000	226,300	16,686,327	—	—

(a) Includes Rx. 5,848 sanctioned for supplementary works.

APPENDIX II.—*continued.*

TABLE VII.—CAPITAL EXPENDITURE ON IRRIGATION, &c.—*continued.*

	Accounts, 1893-94.	Revised Estimate, 1894-95.	Budget Estimate, 1895-96.	Total Actual and Estimated Outlay to end of 1895-96.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought over - - -	206,481	223,000	226,300	16,686,327	—	—
Punjab—continued.						
Sirhind Canal (State outlay):						
Old outlay - - - - - - -	- -	- -	- -	2,188,086	2,226,440	—
Outlay against Open Capital sanctions -	20,355	6,000	10,900	111,719	195,000	83,281
Chenab Canal (including Extension) - -	229,468	170,000	197,900	1,655,375	2,568,418	913,043
Madras.						
Godavari Delta System:						
Old outlay - - - - - - -	- -	- -	- -	1,083,306	1,108,933	—
Outlay against Open Capital sanctions -	254	500	1,300	9,850	11,687	1,837
Kistna Delta System - - - - -	38,184	41,000	44,800	1,128,406	1,391,978	263,572
Sangam Anicut System:						
Old outlay - - - - - - -	5,188	- -	- -	306,696	313,000	—
Outlay against Open Capital sanctions -	- -	2,900	1,700	4,600	- -	—
Periyar Project - - - - - -	131,411	90,000	64,400	794,024	847,100	53,076
Bombay.						
Desert Canal:						
Old outlay - - - - - - -	- -	- -	- -	122,089	123,479	—
Outlay against Open Capital sanctions -	20	- -	- -	269	248	—
Begari Canal: (Old outlay) - - -	- -	- -	- -	162,561	162,561	—
Eastern Nara Works - - - - -	37,533	36,200	18,600	631,969	609,029	—
Jamrao Canals - - - - - -	-	14,800	139,800	154,600	696,653	542,053
Mutha Canals - - - - - -	12,030	7,600	6,900	638,743	621,421	—
Other projects - - - - - -	18,908	16,800	13,400	3,317,613	—	—
	699,832	608,800	726,000	28,996,233	—	—
Deduct,—Outlay incurred from ordinary Revenues - - - - - -	18,148	18,800	26,000	5,567,815	—	—
TOTAL - - -	681,684	590,000	700,000	23,428,418	—	—
FAMINE RELIEF AND INSURANCE.						
PROTECTIVE IRRIGATION WORKS.						
North Western Provinces and Oudh.						
Betwa Canal:						
Old outlay - - - - - - -	- -	- -	- -	398,447	425,141	—
Outlay against Open Capital sanctions -	2,060	600	800	3,460	2,027	—
Punjab.						
Swat River Canal:						
Old outlay - - - - - - -	- -	- -	- -	347,689	354,581	—
Outlay against Open Capital sanctions -	2,087	300	13,200	16,308	2,363	—
Madras.						
Rushikulya Project - - - - -	40,063	30,000	30,000	397,094	436,800	39,706
Bombay.						
Nira Canal - - - - - - -	11,416	10,400	2,100	531,978	573,465	41,487
Other projects - - - - - -	725	1,100	3,900	415,272	—	—
	56,351	42,400	50,000	2,110,248	—	—
Deduct,—Outlay incurred from ordinary Revenues - - - - - -	- -	- -	- -	285,434	—	—
TOTAL - - -	56,351	42,400	50,000	1,824,814	—	—
GRAND TOTAL - - -	738,031	732,400	750,000	25,253,232	—	—

APPENDIX II.—*continued.*

TABLE VIII.—GROSS TRAFFIC RECEIPTS, WORKING EXPENSES, and NET TRAFFIC RECEIPTS, of GUARANTEED and STATE RAILWAYS, for Five Years ending 1893–94, with REVISED ESTIMATES for 1894–95, and BUDGET ESTIMATES for 1895–96.

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1889–90.	1890–91.	1891–92.	1892–93.	1893–94.	1894–95.	1895–96.
GUARANTEED RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	3,241	3,243	*2,588	2,588	2,587	2,587	2,587
Gross Traffic Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Madras	942,442	963,219	946,852	979,209	1,049,883	1,054,000	1,075,000
South Indian	582,050	468,015	—	—	—	—	—
Bombay, Baroda, and Central India	1,308,085	1,325,745	1,422,293	1,439,202	1,518,105	1,600,000	1,585,000
Great Indian Peninsula	3,701,990	3,996,034	4,477,276	3,887,524	3,893,054	3,415,000	3,900,000
TOTAL	6,534,567	6,753,013	6,846,421	6,301,935	6,461,042	6,069,000	6,560,000
Working Expenses.							
Madras	536,576	497,965	548,941	526,892	519,380	545,000	545,000
South Indian	377,325	281,260	—	—	—	—	—
Bombay, Baroda, and Central India	559,210	537,342	599,949	579,392	539,789	585,000	620,000
Great Indian Peninsula	1,892,822	1,935,172	2,204,413	1,951,238	2,018,061	1,900,000	1,900,000
TOTAL	3,365,933	3,251,739	3,353,303	3,057,522	3,077,230	3,030,000	3,065,000
Net Traffic Receipts.							
Madras	405,866	465,254	397,911	452,317	530,503	509,000	530,000
South Indian	204,725	186,755	—	—	—	—	—
Bombay, Baroda, and Central India	748,875	788,403	822,344	855,810	978,316	1,015,900	965,000
Great Indian Peninsula	1,809,168	2,060,862	2,272,863	1,936,286	1,874,993	1,515,000	2,000,000
TOTAL	3,168,634	3,501,274	3,493,118	3,244,413	3,383,812	3,039,000	3,495,000
STATE RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	10,407	11,055	†12,757	13,106	13,461	13,806	14,166
Gross Traffic Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	4,474,030	4,428,495	4,957,632	4,888,869	5,122,906	5,220,400	5,250,400
Nalhati	10,444	10,008	9,235	—			
Patna-Gya	52,151	51,749	60,771	28,650			
Rajputana-Malwa	1,938,223	1,851,105	2,205,116	2,247,595	2,307,621	2,550,000	2,550,000
Godhra-Ratlam	—	—	—	—	7,394		
Sindia	7,108	—	—	—	—	—	—
Bhopal	7,916	8,777	13,088	15,310	16,916	16,200	17,500
Palanpur-Deesa	—	—	—	—	1,458	4,200	4,500
Warora Colliery	82,187	90,930	54,425	54,407	56,147	53,500	53,500
Wardha Coal			25,897	23,299	21,086	22,000	24,000
Bengal-Nagpur	218,157	319,391	637,317	603,259	680,890	675,000	680,000
Umaria Colliery	26,408	33,979	27,996	36,524	37,214	41,700	45,000
Burma	348,338	376,678	406,038	695,172	619,009	600,000	635,000
Tounghoo-Mandalay	161,449	193,310	210,027				
Mu Valley	—	—	13,614	23,154	28,076	30,000	55,000
Assam-Bengal	—	—	—	—	—	—	35,000
Jorhat	6,046	6,198	6,402	6,641	7,093	7,000	7,300
Cherra-Companyganj	1,235	1,713	1,953	1,846	2,298	2,700	2,700
Eastern Bengal	1,145,727	1,220,112	1,146,384	1,182,955	1,249,481	1,430,000	1,300,000
Tirhoot	211,182	69,726	488,854	538,398	524,159	565,000	565,000
Bengal and North Western and Tirhoot	—	320,600					
Bengal Central	72,991	74,047	76,110	78,006	78,110	82,500	82,500
Oudh and Rohilkhand	784,746	734,471	879,286	845,934	898,055	1,095,000	950,000
Indian Midland	314,730	331,908	436,012	444,354	432,366	532,500	550,000
Bareilly-Pilibhit	10,985	9,954	1,991	—			
Lucknow-Sitapur-Seraman	31,888	33,729	—	23	76,662	95,000	85,000
Lucknow-Bareilly	—	7,356	56,314	69,469			
North Western	2,905,416	2,730,774	3,309,010	2,569,878	3,031,471	3,250,000	3,150,000
Amritsar-Pathankot	10,154	11,225	11,224				
South Indian	—	147,044					
Villupuram-Guntakal	—	1,995	725,984	797,602	781,522	830,000	840,000
Villupuram-Guntakal—Nellore Branch	25,454	24,260					
Mysore	101,156	122,768	134,356	151,225	159,574	150,000	150,000
Bezvada Extension	7,667	7,473	8,737	9,878	9,292	18,000	255,000
East Coast	—	—	—	—	75,055	160,000	
Madras-Bezvada	—	—	—	—	—	—	3,000
Guntakal-Mysore Frontier	—	—	—	—	29,183	36,300	40,000
Mayavaram-Mutupet	—	—	—	—	—	21,200	22,500
Dhond and Manmad‡	24,943	26,313	30,858	32,834	34,857	37,200	40,000
Southern Mahratta	407,133	457,136	477,303	463,116	576,958	595,000	595,000
Hyderabad-Umarkot	—	—	—	6,409	14,253	14,000	14,000
TOTAL	13,387,864	13,703,224	16,411,934	15,814,807	16,879,106	18,134,400	18,001,900

* The South Indian Railway, 654¼ miles, was purchased by the State on 1st January 1891, and the mileage is shown under State Railways.
† Includes the length of the South Indian and Bengal and North Western Railways.
‡ The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receive percentage of the gross receipts.

APPENDIX II.—*continued.*

TABLE VIII.—RECEIPTS AND EXPENSES OF RAILWAYS, &c.—*continued.*

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.	1894-95.	1895-96.
STATE RAILWAYS—*continued.*							
Working Expenses.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	1,682,537	1,484,563	1,643,008	1,607,100	1,564,367	1,800,000	1,700,000
Nalhati	7,594	7,832	4,818	—			
Patna-Gya	25,395	23,739	25,983	12,303			
Rajputana-Malwa	1,020,867	926,066	1,087,885	1,018,701	1,077,782	1,144,300	1,140,000
Godhra-Rutlam	—	—	—	—	2,998		
Sindia	3,372	—	—	—	—	—	—
Bhopal	8,458	10,434	8,228	9,670	11,712	10,300	11,000
Palanpur-Deesa	—	—	—	—	568	2,800	3,000
Warora Colliery	57,343	64,772	43,149	50,674	56,683	49,500	49,500
Wardha Coal			19,052	19,889	12,164	13,200	13,200
Bengal-Nagpur	147,176	234,881	303,037	309,881	329,705	335,000	335,000
Bilaspur-Etawah	—	—	—	1,321	—	—	—
Umaria Colliery	22,418	23,681	25,976	33,179	34,277	40,000	40,000
Burma	204,756	207,845	228,128	351,915	365,924	355,000	322,500
Tounghoo-Mandalay	120,702	108,278	110,167				
Mu Valley	—	—	12,039	54,010	55,342	53,000	67,500
Assam-Bengal	—	—	—	—	—	—	30,000
Jorhat	6,231	5,797	6,090	5,495	5,658	6,200	6,400
Cherra-Companyganj	2,672	1,917	1,909	1,750	1,975	2,100	2,300
Eastern Bengal	510,317	542,205	626,279	561,629	542,513	570,000	570,000
Tirhoot	90,553	31,093	2,216	395,397	389,490	400,000	402,500
Bengal and North Western and Tirhoot	—	131,952	415,490				
Bengal Central	45,648	49,263	57,001	53,808	55,114	57,000	57,500
Oudh and Rohilkhand	343,935	350,043	381,473	368,691	377,963	480,000	435,000
Indian Midland	234,086	254,146	267,555	292,086	285,654	303,000	313,500
Bareilly-Pilibhit	7,300	7,893	—	—			
Lucknow-Sitapur-Seramau	21,266	23,529	—	—	47,921	58,800	51,500
Lucknow-Bareilly	—	4,428	33,108	42,737			
North Western	1,856,235	1,749,515	1,953,535	1,811,838	1,908,197	1,900,000	1,850,000
South Indian	—	70,577					
Villupuram-Guntakal	—	1,344	497,698	507,014	490,754	500,000	525,000
Villupuram-Guntakal—Nellore Branch	18,369	17,149					
Mysore	90,598	96,446	102,932	98,812	122,894	110,000	110,000
Bezvada Extension	6,083	5,837	5,828	7,038	7,441	9,800	175,000
East Coast	—	—	—	—	59,599	130,000	
Madras-Bezvada	—	—	—	—	—	—	1,600
Guntakul-Mysore Frontier	—	—	—	—	17,411	23,800	25,000
Mayavaram-Mutupet	—	—	—	—	—	13,200	14,000
Dhond and Manmad*	—	—	—	—	—	—	—
Southern Mahratta	330,529	336,715	360,996	323,709	428,462	435,000	435,000
Hyderabad-Umarkot	—	—	—	6,421	11,407	11,000	11,000
TOTAL	6,864,440	6,771,940	8,214,480	7,944,868	8,263,975	8,813,000	8,697,000
Net Traffic Receipts.							
East Indian	2,791,493	2,943,932	3,314,624	3,281,769	3,558,539	3,420,400	3,550,400
Nalhati	2,850	2,176	4,418	—			
Patna-Gya	26,756	28,010	34,788	16,347			
Rajputana-Malwa	917,356	925,039	1,117,231	1,228,894	1,229,839	1,405,700	1,410,000
Godhra-Rutlam	—	—	—	—	4,396		
Sindia	3,736	—	—	—	—	—	—
Bhopal	— 542	— 1,657	4,861	5,640	5,204	5,900	6,500
Palanpur-Deesa	—	—	—	—	890	1,400	1,500
Warora Colliery	24,844	26,158	11,276	3,733	— 536	4,000	4,000
Wardha Coal			5,945	3,410	8,922	8,800	10,800
Bengal-Nagpur	70,981	84,510	324,280	293,578	351,185	340,000	345,000
Bilaspur-Etawah	—	—	—	— 1,321	—	—	—
Umaria Colliery	3,990	10,298	2,020	3,345	2,937	1,700	5,000
Burma	143,582	168,833	177,910	343,257	253,085	245,000	312,500
Tounghoo-Mandalay	40,747	85,032	99,861				
Mu Valley	—	—	1,575	— 30,856	— 27,266	— 23,000	— 12,500
Assam-Bengal	—	—	—	—	—	—	5,000
Jorhat	— 185	401	311	1,146	1,435	800	900
Cherra-Companyganj	— 1,437	— 204	44	96	323	600	400
Eastern Bengal	635,410	677,907	520,104	621,326	706,968	860,000	730,000
Tirhoot	120,629	38,633	— 2,216	143,001	134,669	165,000	162,500
Bengal and North Western and Tirhoot	—	188,648	73,364				
Bengal Central	27,343	24,784	19,109	24,198	22,996	25,500	25,000
Oudh and Rohilkhand	440,811	384,428	497,813	477,243	520,092	615,000	515,000
Indian Midland	80,644	77,762	158,457	152,268	146,712	229,500	236,500
Bareilly-Pilibhit	3,685	2,061	1,991	—			
Lucknow-Sitapur-Seramau	10,622	10,200	—	23	28,741	36,200	33,500
Lucknow-Bareilly	—	2,928	23,206	26,732			
North Western	1,049,181	981,259	1,355,475	758,040	1,123,274	1,350,000	1,300,000
Amritsar-Pathankot	10,154	11,225	11,224				
South Indian	—	76,467					
Villupuram-Guntakal	—	651	228,286	290,588	290,768	330,000	315,000
Villupuram-Guntakal—Nellore Branch	7,085	7,111					
Mysore	10,558	26,322	31,423	52,413	36,680	40,000	40,000
Bezvada Extension	1,5[illegible]	1,636	2,909	2,840	1,851	8,200	80,000
East Coast	—	—	—	—	15,456	30,000	
Madras-Bezvada	—	—	—	—	—	—	1,400
Guntakal-Mysore Frontier	—	—	—	—	11,773	12,500	95,000
Mayavaram-Mutupet	—	—	—	—	—	8,000	8,500
Dhond and Manmad*	24,943	26,313	30,858	32,834	34,857	37,200	40,000
Southern Mahratta	76,604	120,421	126,307	139,407	148,496	160,000	160,000
Hyderabad-Umarkot	—	—	—	— 12	2,846	3,000	3,000
TOTAL	6,523,424	6,931,284	8,197,454	7,869,939	8,615,131	9,321,400	9,304,900

* The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receive a percentage of the gross receipts.

APPENDIX II.—*continued.*

TABLE IX.—GROSS RECEIPTS, WORKING EXPENSES, and NET EARNINGS, of IRRIGATION—MAJOR WORKS, for Five Years ending 1893–94, with REVISED ESTIMATE for 1894–95, and BUDGET ESTIMATE for 1895–96.

	ACTUALS.					Revised Estimate,	Budget Estimate,
	1889–90.	1890–91.	1891–92.	1892–93.	1893–94.	1894–95.	1895–96.
DIRECT RECEIPTS:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Orissa Canals	30,422	34,501	37,100	49,766	37,657	31,900	32,800
Midnapore Canal	27,761	23,720	28,470	28,018	30,494	25,200	27,700
Hidgellee Tidal Canal	4,195	2,804	3,692	5,346	5,920	6,500	6,000
Sone Canals	89,750	73,648	91,009	105,637	93,191	82,400	83,500
Ganges Canal	199,141	248,974	261,685	248,145	251,757	246,700	210,000
Lower Ganges Canal	133,309	140,604	178,594	180,863	181,404	157,200	134,500
Agra Canal	56,566	61,390	60,100	54,280	49,042	62,500	50,000
Eastern Jumna Canal	63,514	83,255	81,294	77,536	95,738	89,200	70,000
Betwa Canal	7,585	7,455	10,229	8,547	7,392	5,500	5,000
Western Jumna Canal (including Sirsa Branch)	113,116	160,321	151,127	117,126	105,433	145,200	150,000
Chenab Canal	7,711	9,793	10,294	19,100	36,217	50,000	91,000
Bari Doab Canal	139,663	149,559	169,840	231,345	203,901	210,800	214,600
Sirhind Canal	133,917	168,523	201,595	243,032	108,665	95,600	120,000
Swat River Canal	24,941	25,048	20,369	28,922	25,599	28,000	28,800
Godavari Delta System	11,492	12,236	11,096	11,974	12,128	12,000	12,000
Kistna Delta System	4,502	5,047	4,831	5,299	5,084	5,000	5,000
Sangam Anicut System	91	127	74	91	68	100	100
Desert Canal	5,193	2,803	974	2,872	1,787	3,500	3,500
Begari Canal	4,404	2,836	1,435	2,961	2,993	2,900	3,200
Eastern Nara Works	1,753	2,206	2,044	2,025	2,090	2,100	2,100
Mutha Canals	20,625	21,881	24,756	22,520	25,128	26,400	31,400
Nira Canal	2,756	3,609	4,449	8,550	7,754	8,100	10,500
Other projects	50,177	44,343	49,680	56,775	60,223	59,500	58,600
TOTAL	1,132,584	1,284,683	1,404,737	1,510,730	1,349,685	1,356,300	1,350,300
PORTION OF LAND REVENUE DUE TO IRRIGATION:							
Ganges Canal	54,731	66,446	69,008	71,559	71,559	71,600	71,600
Lower Ganges Canal	20,959	20,959	20,959	20,959	20,959	21,000	21,000
Eastern Jumna Canal	22,153	23,292	24,614	24,980	24,980	24,900	24,900
Western Jumna Canal	4,737	2,368	—	—	—	—	—
Chenab Canal	—	—	112	1,752	2,282	12,800	22,500
Bari Doab Canal	42,467	44,046	24,988	11,897	19,263	17,900	17,900
Godavari Delta System	200,371	204,703	215,151	222,382	217,899	267,100	271,900
Kistna Delta System	150,618	167,461	173,970	174,845	186,038	232,500	243,200
Sangam Anicut System	12,000	12,946	814	16,159	16,583	24,100	25,800
Desert Canal	13,120	12,864	1,458	8,969	2,707	14,400	14,400
Begari Canal	22,498	18,922	22,255	30,540	28,440	29,900	30,000
Eastern Nara Works	42,908	38,890	37,197	41,323	40,897	36,800	56,600
Mutha Canals	*—538*	*—595*	*—718*	*—524*	*—713*	—	—
Nira Canal	*—128*	*—171*	*—213*	*—419*	*—381*	—	—
Other projects	103,870	96,875	83,594	97,884	116,413	126,400	129,900
TOTAL	689,766	708,996	673,189	722,306	746,926	879,400	929,700
TOTAL REVENUE:							
Orissa Canals	30,422	34,501	37,100	49,766	37,657	31,900	32,800
Midnapore Canal	27,761	23,720	28,470	28,018	30,494	25,200	27,700
Hidgellee Tidal Canal	4,195	2,804	3,692	5,346	5,920	6,500	6,000
Sone Canals	89,750	73,648	91,009	105,637	93,191	82,400	83,500
Ganges Canal	253,872	315,420	330,693	319,704	323,316	318,300	281,600
Lower Ganges Canal	154,268	161,563	199,553	201,822	202,363	178,200	155,500
Agra Canal	56,566	61,390	60,100	54,280	49,042	62,500	50,000
Eastern Jumna Canal	85,667	106,547	105,908	102,516	120,738	114,100	94,900
Betwa Canal	7,585	7,455	10,229	8,547	7,392	5,500	5,000
Western Jumna Canal (including Sirsa Branch)	117,853	162,689	151,127	117,126	105,433	145,200	150,000
Chenab Canal	7,711	9,793	10,406	20,852	38,499	62,800	113,500
Bari Doab Canal	182,130	193,605	194,828	243,242	223,164	228,700	232,500
Sirhind Canal	133,917	168,523	201,595	243,032	108,665	95,600	120,000
Swat River Canal	24,941	25,048	20,369	28,922	25,599	28,000	28,800
Godavari Delta System	211,863	216,939	226,247	234,356	230,027	279,100	283,900
Kistna Delta System	155,120	172,508	178,801	180,144	191,122	237,500	248,200
Sangam Anicut System	12,091	13,073	888	16,250	16,651	24,200	25,900
Desert Canal	18,313	15,657	2,432	11,841	4,494	17,900	17,900
Begari Canal	26,902	21,758	23,690	33,501	31,433	32,800	33,200
Eastern Nara Works	44,661	41,096	39,241	43,348	42,987	38,900	58,700
Mutha Canals	20,087	21,286	24,038	21,996	24,415	26,400	31,400
Nira Canal	2,628	3,438	4,236	8,131	7,373	8,100	10,500
Other projects	154,047	141,218	133,274	154,659	176,636	185,900	188,500
TOTAL	1,822,250	1,993,679	2,077,926	2,233,036	2,096,611	2,235,700	2,280,000

APPENDIX II.—*continued.*

TABLE IX.—GROSS RECEIPTS, WORKING EXPENSES and Net Earnings of Irrigation, &c.—*continued.*

	ACTUALS					Revised Estimate, 1894–95.	Budget Estimate, 1895–96.
	1889–90.	1890–91.	1891–92.	1892–93.	1893–94.		
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
WORKING EXPENSES:							
Orissa Canals	43,170	43,946	39,609	47,551	50,660	47,000	44,000
Midnapore Canal	20,067	19,925	25,733	18,658	20,123	25,700	31,200
Hidgellee Tidal Canal	2,572	5,197	4,867	3,177	5,422	5,000	5,000
Sone Canals	69,747	66,059	65,208	70,148	69,313	69,000	68,800
Ganges Canal	95,789	104,495	104,038	105,022	106,446	102,300	99,600
Lower Ganges Canal	90,792	88,981	84,774	83,174	80,401	80,600	81,800
Agra Canal	25,975	23,225	23,839	24,591	25,562	24,200	23,100
Eastern Jumna Canal	24,718	29,804	28,439	30,127	32,320	30,400	29,700
Betwa Canal	10,721	10,594	9,795	10,138	9,936	9,500	9,600
Western Jumna Canal (including Sirsa Branch)	47,917	56,050	48,207	49,092	61,307	65,000	72,000
Chenab Canal	9,823	8,951	10,724	25,327	30,911	44,500	43,400
Bari Doab Canal	56,970	56,593	72,424	67,691	56,009	61,000	58,700
Sirhind Canal	60,404	58,600	54,948	65,485	58,242	56,000	61,000
Swat River Canal	9,221	10,247	9,579	9,388	8,815	8,300	7,600
Godavari Delta System	46,792	50,050	51,569	54,694	46,490	50,100	50,600
Kistna Delta System	36,552	38,576	42,038	42,535	46,750	44,900	46,000
Sangam Anicut System	4,890	5,213	3,569	4,434	4,133	4,000	4,200
Desert Canal	3,690	3,715	11,152	9,422	8,525	13,000	3,800
Begari Canal	7,583	6,052	6,314	3,715	2,686	3,200	9,000
Eastern Nara Works	8,266	9,375	8,277	10,194	9,981	11,900	8,200
Mutha Canals	7,712	7,085	7,333	7,977	6,021	6,700	6,400
Nira Canal	2,466	2,734	3,882	5,175	5,491	4,500	4,600
Other projects	41,781	47,006	44,227	45,336	43,413	47,200	44,900
TOTAL	727,558	758,413	761,445	793,951	788,957	814,000	813,200
NET REVENUE:							
Orissa Canals	*—12,748*	*—9,445*	*—2,509*	2,215	*—13,003*	*—15,100*	*—11,200*
Midnapore Canal	7,694	3,795	2,737	9,360	10,371	*—500*	*—3,500*
Hidgellee Tidal Canal	1,623	*—2,393*	*—1,175*	2,169	498	1,500	1,000
Sone Canals	20,003	7,589	25,801	35,489	23,878	13,400	14,700
Ganges Canal	158,083	210,925	225,755	213,782	216,870	216,000	182,000
Lower Ganges Canal	63,476	72,582	114,779	118,648	121,962	97,000	73,700
Agra Canal	30,591	38,165	36,261	29,689	23,480	38,300	26,900
Eastern Jumna Canal	60,949	76,743	77,469	72,389	88,418	83,700	65,200
Betwa Canal	*—3,136*	*—3,079*	434	*—1,591*	*—2,544*	*—4,000*	*—4,600*
Western Jumna Canal (including Sirsa Branch)	69,936	106,639	102,920	68,034	44,126	80,200	78,000
Chenab Canal	*—2,112*	842	*—318*	*—4,475*	7,588	18,300	70,100
Bari Doab Canal	125,160	137,012	122,404	175,551	167,155	167,700	173,800
Sirhind Canal	73,513	109,923	146,647	177,547	50,423	39,600	59,000
Swat River Canal	15,720	14,801	10,790	19,534	16,784	19,700	21,200
Godavari Delta System	165,071	160,889	174,678	179,662	183,537	229,000	233,300
Kistna Delta System	118,568	133,932	136,763	137,609	144,372	192,600	202,260
Sangam Anicut System	7,261	7,860	*—2,681*	11,816	12,518	20,200	21,700
Desert Canal	14,623	11,942	*—8,720*	2,419	*—4,031*	4,900	14,100
Begari Canal	19,319	15,706	17,376	29,786	28,747	26,600	24,200
Eastern Nara Works	36,395	31,721	30,964	33,154	33,606	27,000	50,500
Mutha Canals	12,375	14,201	16,705	14,019	18,394	19,700	25,000
Nira Canal	162	704	354	2,956	1,882	3,600	5,900
Other projects	112,266	94,212	89,047	109,323	133,223	138,700	143,600
TOTAL	1,094,792	1,235,266	1,316,481	1,439,085	1,307,654	1,421,700	1,466,800

APPENDIX II.—*continued.*

CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDISED RAILWAYS.

TABLE X.—ABSTRACT of BUDGET ESTIMATES of CAPITAL TRANSACTIONS of GUARANTEED and SUBSIDISED RAILWAYS, 1894-95 and 1895-96.

RAILWAYS.	AMOUNT IN RUPEES.			AMOUNT OF EXCHANGE.			AMOUNT IN POUNDS STERLING.		
	1894-95.		Budget, 1895-96.	1894-95.		Budget, 1895-96.	1894-95.		Budget, 1895-96.
	Budget.	Revised.		Budget.	Revised.		Budget.	Revised.	
GUARANTEED RAILWAYS.									
RECEIPTS.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	£.	£.	£.
Madras	22,00,000	22,50,000	25,00,000	1,83,000	1,88,000	2,08,000	201,700	206,200	229,200
Bombay, Baroda, and Central India	28,75,000	28,25,000	30,50,000	2,40,000	2,35,000	2,54,000	263,500	259,000	279,600
Great Indian Peninsula	71,50,000	66,50,000	69,00,000	5,96,000	5,54,000	5,75,000	655,400	609,600	632,500
TOTAL	1,22,25,000	1,17,25,000	1,24,50,000	10,19,000	9,77,000	10,37,000	1,120,600	1,074,800	1,141,300
ADVANCES.									
Madras	19,00,000	21,00,000	24,00,000	1,58,000	1,75,000	2,00,000	174,200	192,500	220,000
Bombay, Baroda, and Central India	20,50,000	31,00,000	35,00,000	1,71,000	2,58,000	2,92,000	187,900	284,200	320,800
Great Indian Peninsula	45,00,000	48,50,000	43,80,000	3,75,000	4,04,000	3,65,000	412,500	444,600	401,500
Reserve	- -	3,27,000	- -	- -	27,000	- -	- -	30,000	—
TOTAL	84,50,000	1,03,77,000	1,02,80,000	7,04,000	8,64,000	8,57,000	774,600	951,300	942,800
NET RECEIPTS.									
Madras	3,00,000	1,50,000	1,00,000	25,000	13,000	8,000	27,500	13,700	9,200
Bombay, Baroda, and Central India	8,25,000	—2,75,000	—4,50,000	69,000	—23,000	—38,000	75,600	—25,200	—41,200
Great Indian Peninsula	26,50,000	18,00,000	25,20,000	2,21,000	1,50,000	2,10,000	242,900	165,000	231,000
Reserve	- -	—3,27,000	- -	- -	—27,000	- -	- -	—30,000	—
TOTAL	37,75,000	13,48,000	21,70,000	3,15,000	1,13,000	1,80,000	346,000	123,500	199,000
SUBSIDISED RAILWAYS.									
RECEIPTS.									
Capital received in India:									
Nilgiri Railway	6,25,000	- -	-	- -	- -	- -	62,500	—	—
Gain on Remittances to India:									
Southern Mahratta	- -	- -	- -	3,05,000	1,63,000	3,10,000	—30,500	—16,300	—31,000
Mysore	—	—	—	—	—	—	—	—	—
Assam-Bengal	- -	- -	- -	4,55,000	3,41,000	- -	—45,500	—34,100	—
Indian Midland	- -	- -	- -	3,44,000	2,16,000	1,11,000	—34,400	—21,600	—11,100
Bengal Central	- -	- -	- -	5,000	4,000	6,000	—500	—400	—600
Bengal-Nagpur	- -	- -	- -	1,05,000	66,000	1,27,000	—10,500	—6,600	—12,700
TOTAL	6,25,000	- -	- -	12,14,000	7,90,000	5,54,000	—58,900	—79,000	—55,400
WITHDRAWALS.									
Southern Mahratta	—1,00,000	—51,000	—1,12,000	—17,000	—8,000	—19,000	—8,300	—4,300	—9,300
Mysore	2,40,000	92,000	2,50,000	60,000	23,000	62,000	18,000	6,900	18,800
Assam-Bengal	37,47,000	33,06,000	60,59,000	11,45,000	11,02,000	27,54,000	260,200	220,400	330,500
Indian Midland	4,78,000	—1,77,000	—2,25,000	96,000	—35,000	—45,000	38,200	—14,200	—18,000
Bengal Central	29,000	28,000	63,000	7,000	7,000	16,000	2,200	2,100	4,700
Bengal-Nagpur	84,000	—7,000	1,26,000	19,000	—2,000	29,000	6,500	—500	9,700
Lucknow-Bareilly	1,23,000	1,12,000	40,000	46,000	- * -	- * -	7,700	11,200	4,000
Nilgiri	6,51,000	2,00,000	- -	- * -	- -	- -	65,100	20,000	—
TOTAL	52,52,000	35,03,000	62,01,000	13,56,000	10,87,000	27,97,000	389,600	241,600	340,400
Net Withdrawals	46,27,000	35,03,000	62,01,000	1,42,000	2,97,000	22,43,000	448,500	320,600	395,800
GUARANTEED AND SUBSIDISED RAILWAYS.									
Net Withdrawals	8,52,000	21,55,000	40,31,000	—1,73,000	1,84,000	20,63,000	102,500	197,100	196,800

* Exchange omitted under the orders of the Comptroller General.

ABSTRACT of the Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict. c. 67, and 55 & 56 Vict. c. 14).

The Council met at Government House on Thursday, the 28th March 1895.

PRESENT:

His Excellency the Viceroy and Governor General of India, P.C., LL.D., G.M.S.I., G.M.I.E., *presiding*.
His Honour the Lieutenant Governor of Bengal, K.C.S.I.
His Excellency the Commander in Chief, K.C.B., G.C.I.E., V.C.
The Honourable Sir A. E. Miller, KT., Q.C.
The Honourable Lieutenant General Sir H. Brackenbury, K.C.B., R.A.
The Honourable Sir C. B. Pritchard, K.C.I.E., C.S.I.
The Honourable Sir J. Westland, K.C.S.I.
The Honourable Sir A. P. MacDonnell, K.C.S.I.
The Honourable P. M. Mehta, M.A., C.I.E.
The Honourable Gangadhar Rao Madhav Chitnavis.
The Honourable H. F. Clogstoun, C.S.I.
The Honourable P. Playfair.
The Honourable Mahárájá Partab Narayan Singh of Ajudhiá.
The Honourable Prince Sir Jahan Kadr Meerza Muhammad Wahid Ali Bahádur, K.C.I.E.
The Honourable Mohiny Mohun Roy.
The Honourable Sir G. H. P. Evans, K.C.I.E.
The Honourable Sir F. W. R. Fryer, K.C.S.I.
The Honourable C. C. Stevens, C.S.I.
The Honourable H. E. M. James.

DISCUSSION OF THE FINANCIAL STATEMENT.

The Honourable Mr. *James* said:—"My Lord, in congratulating the Honourable Sir James Westland on his fortunate and satisfactory Budget, I should like to invite attention to one comparatively small item in the receipts which may possibly be overlooked by other speakers, but which seems worthy of special attention. I refer to the figures of the Post Office given in paragraph 179 of the Budget Statement. Your Lordship will see that for the first time this year a surplus is expected from the Post Office. It seems at first sight satisfactory that the Post Office of India, after defraying not only all postal work proper, but every kind of charge which the Finance Department debits to it, *e.g.*, the district post which is paid for out of provincial funds and local cesses and the management of the Savings Banks, which yields the Post Office no revenue at all, either in fees or commission, is now a paying concern. Forty years ago, when it was first started as an Imperial Department, the receipts from the Post Office were only 16 lakhs a year; now they have risen to 162 lakhs. Forty years ago there were only 645 post offices; now there are, I believe, over 10,000, and the Post Office of India to-day undertakes, in addition to the delivery of letters, many other branches of work for the convenience of the public—money orders, saving banks, value-payable parcels, life insurance, and even the sale of quinine. Following the example of Germany, the most capable and advanced postal administration in the world, the Post Office of India long ago went ahead of the London Post Office, having established, for instance, an inland and an overland parcel post, a system of insurance, and abolished re-direction charges, many years before these measures were introduced into England; and it is certainly satisfactory to find that all these facilities are now being given without any charge, however small, upon the general taxpayer. The main reason, however, why the Indian Post Office has been so successful is, that the Government of India have hitherto not looked

upon it as a source of revenue. As the receipts increased, the Government of India gave the Director General a free hand in expending them either upon increasing facilities or reducing charges, and of late years, so long as the receipts and expenditure nearly balanced, practically no questions have been asked. I feel, therefore, now somewhat sorry that a surplus has been shown, and for this reason. In these hard financial days I fear that the Finance Minister, who is bound to clutch at every item of income, however small, may look to the Post Office as a source of revenue, and, whatever improvements or developments may be suggested, that he will insist on the Director General showing an annually increasing surplus. I venture, therefore, to point out in advance that such a policy would be wrong and unjust to the taxpayer. When a Government undertakes to carry letters or parcels for the public, it is bound to recover the cost of service rendered and no more, and it is not entitled to make a profit (though all experience shows that it will do so one day) until it has reduced its charges to the lowest practicable point. Your Lordship is probably aware that the introduction of the penny postage in England resulted in an immediate loss of a million sterling, and 20 years after the introduction of Rowland Hill's reform the net postal revenue of the United Kingdom was still some hundreds of thousands of pounds short; but now the English Exchequer has an annual net revenue of some three millions sterling from the Post Office, and there is no reason why a similar profit, if not more, should not ultimately be made out of the Post Office of India. But I maintain that the time has not arrived when this should be attempted. True it is that with a quarter-anna post-card and half-anna envelope, sold for the value of the stamps upon them, letters can be sent in India as cheaply as in any part of the world. But some of our charges are too high. In money order and insurance business, for instance, we charge, I think, about 20 times the German rates, and our parcel charges are heavy. So it would be very satisfactory if, without making any pledge of course (for with an unstable rupee the Finance Minister must live more or less from hand to mouth), some assurance can be given that the Government of India do not yet contemplate making revenue out of the Post Office, but will spend the surplus revenues in reducing charges and extending facilities. As your Excellency is aware, for many years past there has been a strong feeling in the Punjab and Sind, which has been represented from time to time during the last seven years to the Government of India from both quarters, that the overland mail for those provinces should be conveyed direct between Aden and Karachi, which would save between two and three days, a matter of great importance to the commerce of those parts. Again, although our postage rate, half an anna for half-tola, seems reasonable enough, it is to be remembered that in 1877 the English Post Office reduced its rate from a penny the half-ounce to a penny an ounce, and the time should not be far distant when a tola, equal nearly to half an ounce, should be carried in India for half an anna. These are only examples of what any postal surplus can properly be spent upon. The late Professor Fawcett himself, one of the ablest Postmasters General whom England has ever seen, held that needlessly high postage was a tax on education, which tax he considered to be the worst of taxes. There is also one great reform which England and all great European countries have adopted, but in which India, for once, lags behind. I refer to the placing of the posts and telegraphs under one administration. The economy of the measure is obvious. Here in India we have already some 1,000 out of 1,200 telegraph offices worked by the Postal Department. Yet, if a skilled telegraph official comes round to inspect the instruments and wires and telegraph accounts, he cannot look into any postal detail, not even to verify the cash balance, while a capable postal superintendent, in like manner, keeps to his own side of the combined office. Both in the higher branches of the administration and in the local circles the ultimate economy in supervision and check would be immense. Broadly put, it means one man doing the work of two, and the longer the reform is delayed the greater will be the waste of money. I can imagine that, because there might be a slight increase of cost at first in constituting a central administration, the Finance Department may not like to face the reform just now. I know also that the Indian Empire differs in many important respects from any European country, and that the existing system even now works fairly well, owing to the cordiality and good sense of the officers at the head of the two departments. But it seems certain that,

until

until the broad principle is recognised in India as it is in England, that a single postal and telegraph administration must lead to economy and to extended facilities of both kinds, the country will suffer. In the United Kingdom the number of postal articles carried per head is 74·1. In India it is only 1·29; but the population of the United Kingdom is educated. The population of India is 285 millions, of whom only 12 millions can read and write. India has over 10,000 post offices and 27,000 letter boxes, and already the average number of postal articles per head of literate population is 31, the lowest being 9·70 in Burmah, and the highest, 71, or nearly as many as in the United Kingdom, in Sind. If, then, your Excellency will remember how rapidly education is extending, you will recognise how vast will be the revenues of the Post Office before long, without necessarily a corresponding increase in expenditure; for, of course, the cost of a post office does not increase if even the number of letters posted are doubled or trebled, and the spread of education enables the Director General of Post Offices to extend the policy of employing schoolmasters and shopkeepers as postmasters for a very small monthly sum, far smaller than a whole-time *employé* demands. I have ventured to submit these remarks for consideration by your Excellency's Government *quantum valeant*, for I confess to having taken fright at seeing a post office surplus budgeted for. I would beg leave to remind the honourable Member in charge of the Financial Department of the dictum of his eminent predecessor, Lord Cromer, that the Post Office in India was looked upon by the Government of India as a great public convenience and not as a source of revenue. Your Excellency also, if I may be permitted to say so, has an hereditary interest in post office management, and my earnest hope is that in the interests of India your Government will pursue towards the post office and telegraphs the same liberal policy as your predecessors, and not strive to make a profit out of them yet: that will all come in good time. The post office and telegraphs are the most popular departments in India. The ordinary native official of the Tahsildar or Thanadar type, endowed as he is with power to arrest and condemn, is still approached with some timidity, or at least some reserve, by uneducated Oriental villagers. The post and telegraph offices the villager can approach without the smallest hesitation, and the services rendered in sending messages or money to village homes (out of 18 crores remitted through the Post Office in a year, by far the greater part is in money orders of Rs. 5 and Rs. 10) are just those which the masses can appreciate keenly. Every increased facility, then, given by the Post Office, not only contributes to improve the trade and wealth of India, but adds to the popularity and strength of the Government. For this reason I have ventured to comment on a departmental subject not usually touched upon, and I would conclude by reiterating to the Finance Minister the prayer to allow Post Office revenues to be spent upon the Post Office. His successors will benefit all the more from his refraining to touch those revenues for the present."

The Honourable Sir *Griffith Evans* said:—"My Lord, this Budget Statement is a very extraordinary one in several respects, and in one respect it is most encouraging. It shows a difference of over Rx. 3,000,000 to the good between the original and the Revised Estimates of Revenue for 1894-95, and it shows a surplus of Rx. 990,500 (roughly speaking, a million) as against an estimated deficit of Rx. 301,000. This is a most fortunate state of things, and looks at first sight exceedingly encouraging; but, when we come to examine it, it is not nearly so rosy as it looks. The reason for this is, that out of this Rx. 3,000,000 excess revenue beyond what was estimated for originally, one million and a half comes from opium, and it comes from it in this way, that out of this, 93 lakhs is due to an extraordinary rise in the price of opium—a rise from scarcity so great as to raise fears as to the competition from other countries. But this, at any rate, is a saving, while the other 61 lakhs, though appearing as a saving, is really an actual loss and comes out of capital. The raiyats cultivate opium for Government. Instead of giving shares in the produce, we pay so much a seer for it (a fraction of its value in the market). If there is no crop there is no payment, except so far as advances have been given. The result would be that if there was a total failure of the crop we should lose our whole revenue of, say, seven millions. Now what has happened is that we have had so short a crop last year that our reserve has been exhausted, and the consequence is that there has been a

very serious loss, and in order to realise the amount from opium we have had to part completely with our reserve. So far from being any sort of saving, it is really the same as if a zamindar who was having his zamindari cultivated upon a system of payment of rent in kind were to say in a year when there was no harvest that he had saved the one-half of the estimated crop which would have been the raiyat's share. The other improvements are, no doubt, real and are hopeful, and they are undoubtedly satisfactory. I note also in this statement that there are considerable economies, I am glad to see, in many directions, civil and military, which have kept the expenditure within the Budget Estimate. These economies have not, however, resulted in any apparent cutting down of the Budget Estimate, but have had the result of keeping the expenditure within the Budget Estimate, notwithstanding the enormous increase arising from exchange and other causes. I think we must all feel grateful to the Military and Financial Departments for having effected these economies; if they had not been effected, there would have been a great increase in the charges.

"As regards the Budget Estimates for 1895-96 one sees that for various reasons there is an increased charge of over three millions to be provided for (paragraph 40). This is met by an estimated increase of nearly two millions in Customs, including cotton duties, and by the other estimated increases mentioned in paragraph 48. The result is a surplus of 37 lakhs, of which 18 lakhs go to increase the pay of the Native Army, and 15 lakhs to the Chitral Expedition, and the estimate ends with a hoped-for surplus of 4½ lakhs. All of us must feel thankful that things have turned out so well, and that it is possible to budget for a surplus, however small, for the coming year. But, as the Financial Member has pointed out, nothing can be more uncertain than this result: firstly, so long as exchange continues as it is, so long as 1-10th of a penny in the exchange means a quarter of a million of rupees, and one penny means 2½ millions, one cannot but see that the calculation is as uncertain as if one had the money down upon a gaming table waiting for the spin of the ball; secondly, opium is not a certainty; we have not yet got our new crop, though prospects are good. Above all, we have the Chitral Expedition, which may be anything from half-a-million to 2½ millions. The 15 lakhs allotted have, no doubt, been more than spent already. This is the state of things after we have added to our resources by last year's import duties a sum of three millions annually.

"Now, as regards the Budget generally and the Budget Statement, I will not enter into any detailed criticisms. I have already last year expressed my views upon many of the points which arise, and will not go over old ground, and, as for many of the details which might be commented on, there are many other members of this Council better qualified to deal with them. I will therefore only notice a few points. The Commissariat charges to which I drew attention have been dealt with with good results, apart from the saving from cheapness of food this year. The increase of the pay of native soldiers which I suggested would have to be made some day, has been made, and none too soon.

"The increased price which it is proposed to give for opium is, I think, a wise and statesmanlike measure. It probably might have been done before, had it not been for the immense opposition which was aroused in England if any idea was mooted of increasing opium cultivation. It was looked upon as a sinful thing and as a sort of thing that would not be tolerated. I am glad to think that the result of the Opium Commission has diminished the power of the opium faddists to harass us in future, and the fact that the costs of the Opium Commission are to be paid for from the English Exchequer is a most eloquent comment upon the uselessness and impropriety of the agitation which they raised. I hope, as I say, that we have seen the last of this, but one can never be too sure, because I have always noticed that faddists of this kind are almost impossible to convert. It was probably this kind of person that vexed the soul of Solomon, and caused him to exclaim: 'Though thou bray a fool in a mortar, yet shall not his folly depart from him.' However, if the necessary steps are taken in regard to opium, there is hope that our revenue in future may be maintained from this source, although the competition is very considerable and increasing.

"Then as to exchange, it is a thorny subject, and I am not an expert, but I desire

I desire to draw the attention of the Financial Member to a valuable paper laid before us from the Currency Association dealing with the question from various points of view, and to ask him to announce his views, so far as it may be open to him to do so—and particularly as to the employment of the excess cash balances and their effect upon our exchange. Exchange is the vital question of Indian finance at present.

"As regards the home charges I am glad to see that the Secretary of State has promised a commission to deal with the charges debited, as we contend, wrongly to the Indian revenue. With regard to another point, nothing has yet been heard of the Secretary of State's inquiries into the question of whether import duty upon cotton yarn without excise would be protective between 20*s*. and 24*s*. I need not refer further to that point beyond saying that the Indian public await the result with interest.

"But the black financial cloud which hangs over this budget and the whole of our finances is the Chitral Expedition. The Financial Member congratulated himself in paragraph 26 on escaping the usual fate of Finance Ministers in having to deplore military expenditure. But his joy must now be turned into mourning. That the expedition is now necessary, and must be carried out at whatever the cost no one will deny; our soldiers are shut up in Chitral fort, and, cost what it may, it is necessary that they should be relieved; but the question universally asked is—how and why has it become necessary, and how and why do we have over 1,000 men in Chitral, commanded mainly by lieutenants with an occasional captain, and no military man of age or experience to direct operations. Expeditions must be sent out from time to time to punish savage frontier tribes when they persist in raiding into our territories. But there is a strong feeling that we have too many expeditions, and that sufficient care is not taken that our officers, political and military, should not get into positions or drift into quarrels which may render expeditions unavoidable. We have just incurred an expense of 28 lakhs for the Waziri Expedition,—Wano, where we were attacked is well within the Waziri frontier, and it does not seem necessary to have a camp there for delimitation. Possibly we shall next hear that it is to be permanently occupied, and roads made to it, and a grant made for that purpose. No sooner have we done with this than we have the Chitral complication, which, instead of lakhs, may mean crores.

"The questions that occur are, why Dr. Robertson went to Chitral with 400 men? Why, if he went there to see to the safety of his subordinates, did he not take them back to Mastuj?

"Why is it necessary to drive Umra Khan out of Kila Drosh without delay and without waiting to see who will be Mehtar of Chitral, and what will be the final end of the quarrels over the succession? It does not appear that Cashmere has called on us to eject him. He has a quarrel with Afghanistan over the Bashgol Valley, which must lead to his destruction before long without our interference. Why could not our officers look on at Mastuj and wait, instead of practically occupying Chitral, and with the manifest risk of getting shut up there?

"All one sees is this, that we are now undertaking an expedition through a most difficult country of precipices and rocky ravines occupied by these wild tribes—the Swatis and others—who may turn out entirely hostile to us, and that the expedition is an exceedingly difficult and costly one, and everybody is asking what in the world are we to get for it. How can we allow ourselves to drift into positions in which such expeditions are necessary in order to relieve officers in inaccessible mountains? One answer has been given, namely, that it is necessary to do this because we want a good road through Chitral to Gilgit. There is no doubt about the military value of that argument, because Gilgit is isolated the greater part of the year, and no one will deny that a road to Chitral and onwards will be most valuable from a military point of view. But that too will mean further expenditure in future.

"I see Lord Roberts is said to have stated that it is desirable to have a road throught Chitral to Gilgit, and he seems to think that will be the outcome of this expedition. But many think that we are pledged by the Government proclamation to the tribes, to come out again without interfering with tribal territories as soon as we have punished Umra Khan and released Robertson. If so, there will be no tangible result. The very general feeling is that we have no concern with fights for the Chitral succession, and that, so long as whoever

succeeds in killing the other competitors acknowledges the suzerainty of Cashmere, that is all we are concerned with. The method of election to the throne out there is to let the competitors fight it out, and acknowledge the survivor It is a form of competitive examination which tends (more perhaps than that which we have borrowed from China) to secure the survival of the fittest.

"I have spoken thus not from a desire in any way to embarrass the Government, which has now no option, but to give voice to the general impression that care and forethought and strong stringent orders to our political officers not to place themselves in positions which are likely to lead to complications of this kind might do a good deal to avert such disastrous results, and to promote further economy in the item of expeditions."

The Honourable *Mahárája Partab Narayan Singh of Ajudhiá* said:—"Your Excellency, it is with a feeling of considerable relief that we compare the Budget Estimate of the financial year about to end with that about to dawn upon us. The prospects at this time last year were as gloomy as the financial prospects of any civilised Government of the present day could be, and I sincerely congratulate the Honourable Finance Minister that he has been able to show us such marvellously good results within the brief space of twelve months only.

"My Lord, as I had the honour of stating last year, to my mind the Budget is not a mere official statement of the expected income and expenditure of the Empire. It is the one measure which, recurring every year, places before the Indian people a standard for measuring the devotion of the rulers to the interests of the ruled.

"It is a matter of congratulation that, by the re-imposition of the cotton-duties, the Government has seen its way to clear itself of the one serious charge so often brought against it, namely, 'neglect of justice to India in consideration of the interest of Manchester manufacturers.' But I am sorry to notice that this act of justice cannot be looked upon by the people of India without mixed feelings. The levying of an excise duty on certain classes of goods manufactured in India has been received by the Indian public with other feelings than that of approbation. It is a step which might hamper the growth of the mill industry in India,—an industry which at present is in its infancy, and which ought to receive from the Government more of its fostering care rather than be subjected to any measures likely to retard its progress. This subject deserves the consideration of the Government still more as the income derived from this source during the last quarter amounted to Rx. 12,500 only, and for the ensuing year the estimated amount is put down in the Budget at Rx. 75,000—a comparatively very small sum.

"The year which is about to close seems to have been one of great financial prosperity in respect of the increase in the income. The Financial Statement put before the Council in March last showed a deficit of Rx. 301,900. But I am glad to notice that one and a half crores more than was anticipated have been added to the opium revenue. The earnings of the State railways show an increase of over 73 lakhs. The re-imposition of the customs duties in the beginning of the year and that of the cotton duties later on have added another sum of Rx. 90 lakhs to the estimated income under this head. Had it not been for the further fall in exchange than estimated in the Budget for 1894–95, instead of the threatened deficit of Rx. 301,900, the Honourable Sir James Westland would have been in a position to announce a very large surplus.

"The Honourable the Finance Minister has shown that another chief item which contributed to what he is pleased to call 'a fair amount of progress towards the restoration of our fortunes' is the conversion of the 4 per cent. loans. The conversion of the 4 per cent. loans has been a success for the Government; and I notice that, for the most part, people were contented with a smaller rate of interest as they did not choose to get them discharged. But I fear that in many cases the rather sudden reduction of interest from 4 to 3½ per cent. would cause much hardship where people depended upon the fixed interest of 4 per cent. for their support. It is, however, in some measure, a consolation that nearly 97 lakhs were discharged, which would tend to show that to this extent at least people had become adventurous enough to invest their money

in

in trade, agriculture, or other kinds of business which would give them higher returns.

"Now I come, my Lord, to the real subject of discussion before the Council.

"Of the different sources of the anticipated income mentioned in the Financial Statement, there is one which requires more than a passing remark—I mean the land revenue. A very careful attention on the part of the Government is required in its collection this year in some parts of the Empire. In a good many districts of the North-Western Provinces and Oudh the autumn and the winter crops have proved a failure, and the prospects of the spring crops are not also very encouraging. Complaints of a similar nature are heard from the Central Provinces and other parts of India also. In order to tide over the difficulty it is hoped that in the matter of collection of land revenue the Local Governments will exercise their powers of suspension and remission more extensively, I am afraid that, unless the prospects do not improve soon, there are some districts at least in which the starting of relief works might become necessary to remove the distress of the people.

"Another feature of this Budget, which to my mind appears deserving of notice, is the cessation of the contributions from the Local Governments which the Imperial Government was obliged to take from them owing to the financial difficulties. This step will be viewed with satisfaction by the Local Governments concerned, as on account of these contributions last year they were obliged to put off many necessary measures of reform and to stop the construction of works of great public benefit.

"A gratifying announcement made by the Honourable the Finance Minister in his Financial Statement is the contemplated increase in the pay of the Indian sepoy. For about a century the pay of the sepoy has continued to be only Rs. 7 a month, notwithstanding the general rise of prices of all kinds of necessaries of life, and notwithstanding the fact that his services have in no small degree contributed to the establishment of the British Empire in the East. The announcement of this act of justice, I am sure, will be received with universal satisfaction and will tend to strengthen the hands of the British Government.

"The Government is to be congratulated on having effected some saving at least in the military expenditure of the past year. But on account of the frontier expedition at present undertaken by the Government, the actual military expenditure will, I am afraid, at the close of the year far exceed the amount provided for in the Budget, and no one can tell what financial difficulties might not be required to be overcome.

"My Lord, I may be excused for saying that the two most important factors which have disturbed the equilibrium of the Imperial Exchequer in the past, and which threaten to disturb it in the future are, one, the unsettled state of exchange, and the other, what is not inaptly called by one of the ex-Finance Ministers, 'the perilous growth of the Indian State expenditure.' These two factors are growing apace. The first one is beyond the control of the Government. With the reimposition of the cotton duties it must be said that all the legitimate sources of taxation have been exhausted. Unless some radical cure is adopted soon in the shape of the curtailment of expenditure, the ordinary measures of temporary relief will never be sufficient to remove the disorder."

The Honourable Mr. *Playfair* said:—"Having regard to the forebodings expressed a year ago, it must be a matter of relief to the public that the Honourable Member in charge of the Finances has escaped from the position he then deplored, and from the fate of Silhouette, the French Minister of Finance, who could contrive no other expedient to prevent a national bankruptcy than excessive economy and interminable reform, and whose name was in consequence made ridiculous as the proper word to describe the most economical sort of portrait.

"The elastic character of the revenues of India has again received illustration, but there is evidence throughout this Budget Statement of a masterly control of expenditure, tempered, however, with a liberal sympathy with the requirements of the Empire, that cannot but beget for the administrator the confidence and the approval of the public. A distinctive feature of the Budget, and one that will give it a place in history, is the reform of the charge for interest on the Indian debt, producing a permanent saving of no less a sum than Rx. 524,800 per

per annum. Posterity will have reason to recollect the achievement, but it may forget the circumstances—which the public of to-day are gratified to acknowledge—that the scheme was undertaken during a period of much financial embarrassment, and piloted with an attention to time and opportunity that both ensured and secured success. Without dislocation of trade, interruption of the sale of Council Bills, or disarrangement of the money market, the people have found the burdens of the State relieved by this not inconsiderable sum. Of the Government securities on issue to the public, 73 per cent. are in the hands of European and 27 per cent. are held by Native investors; these proportions show the extent to which each community has been affected by the scheme for the reduction of interest on their investment. I am aware that Indian Government securities hold a unique position; that these are greatly resorted to, irrespective of the rate of interest; that Government currency investments, trusteeships, and private estates, absorb large amounts which materially reduce the proportion of the State loans in the hands of the general public; but the position of the Honourable Member for Finance in this respect and his independence were far inferior to that of the Chancellor of the Exchequer of England, who controlled more than half of the 3 per cent. National Debt when it was converted in 1888 to 2¾ per cent. The general reduction that has been effected in the rate of interest is in striking contrast with the indifferent success that attended the attempt made by the Government of India in 1853 to borrow at 3½ per cent. The credit of the country to-day may be gauged by the success of the Honourable Sir James Westland's conversion scheme.

"It is a matter of importance that provincial funds will not be placed under contribution by the Imperial Government during the coming year, and that the Military Department will resume its usual allotment. I can only repeat the hope that, when the opportunity arrives, the assistance already taken by the Imperial Exchequer from provincial funds may be recouped and repaid, and that the Famine Insurance Fund will be revived, or the taxation initiated for that purpose be remitted. The increased rate of pay to be granted to our Native sepoys is a measure that will commend itself to the public mind. It will signalise Your Excellency's administration, and bring home to the Native soldiers of our Indian Army the solicitude that His Excellency the Commander-in-Chief has in their welfare.

"The continuous policy in the construction of Railways to which the Government has in this Budget Statement and elsewhere declared its adherence will be favourably received by the mercantile community. I would therefore express the hope that the cost of the military expedition about to commence on the North-West Frontier may not have the effect of modifying the programme set out in paragraph 205 of the Financial Statement. I am led to make this observation owing to the contemplated reduction of the cash balances to Rx. 16,062,688, a figure that, looking to the increase in savings bank deposits, can scarcely be considered too large. No one can contemplate a military expedition on the North Western Frontier without concern, and I await with much interest the explanations that may be forthcoming from the Honourable the Military Member in reply to the remarks made by the Honourable Sir Griffith Evans.

"In paragraph 34 of the Budget Statement, under the heading Excise Duties on cotton goods, it will be a disappointment to Indian spinners of yarns to find that the sum of Rx. 75,000 has been estimated as the Budget income of 1895-96. This is the income which it was suggested in December last by the Honourable Member for Finance that a duty levied on counts of yarn above No. 20s would produce. Spinners in this country await with keen interest the result of the Secretary of State's investigation of the facts brought forward by the Government of India with a view to the limit for exemption being raised to counts of 24s and under. Three months have elapsed since the Secretary of State promised to make this inquiry, and it will be a satisfaction if the Honourable Member can now disclose the result. In either case I think it may be said that the Secretary of State has 'got little money and lost a great deal of love.'

"A year ago I had the honour to direct attention to the apprehension that the price paid to the cultivator of opium was unattractive in being lower than that obtainable for other crops. It is a satisfaction to me to note that the Government of India has now decided to raise the rate. I would express the hope,

hope, now that Government is liberated in the matter of opium administration from the irresponsible and misguided clamour of English faddists, that it will endeavour to improve the finances by a wise, because common sense, attention to this legitimate source of revenue. After examining the statistics of the past thirty years, I am led to the conclusion that, when high prices of food-grains have afforded to the cultivators better paid crops than opium, the yield of opium has been greatly decreased; that when Government has desired to contract the cultivation it has lowered the price, or has abstained from raising the price; and that whenever Government has had occasion to increase the cultivation it has had to raise the price. The honourable Member has referred to a series of bad years which have discouraged cultivators. I find during those years the price of other staple products has risen greatly, and I am inclined to think that the deficiency in the production of opium is because there has been no rise whatever in the price paid to the cultivator since 1880. In paragraph 57 of the statement the honourable Member remarks that India has long ceased to have a monopoly of opium supply in China. I would surmise that this is the result of the supply of Bengal opium being insufficient to meet the demand, and that restricted sales have simply created the trade in Persian opium as well as induced the production of the drug in China itself. It surely is not beyond the capacity of a great monopolist of the opium trade like the Government of India, if it so desires, to send a full supply to the markets both of China and of the Eastern Archipelago, and thus retain firm possession of both, instead of, as under the present policy, receding from the China market, thereby destroying our prestige as producers and handing over a portion of our trade to Persia. A saving of Rx. 160,000 in the opium expenditure of the past year is no gain, as the honourable Member has remarked, when it is the result of a short crop. The total depletion of stocks is a serious matter, and I find has not occurred since the year 1872–73, whereas reserve has stood as high as 49,705 chests in 1889–90. I would like to enquire whether, in view of the evidence recorded before the Opium Commission, Government will not meet the wishes of the Burmese and resume the sale of opium in that country. In the Budget Estimate of 1893 the prohibition was stated to involve an annual loss of revenue of Rx. 150,000. I would enquire as to whether the interdict against the use of opium in Burma has not led to an extensive and most undesirable system of smuggling. I hope that the remarks I have made will be acceptable to my honourable friend who is about to assume the high office of Chief Commissioner of Burma, and that during the coming year he may be able to place this question upon a healthier footing than it stands at present.

"I take it to be a matter of some importance to the Financial Department that as large as possible a share of the revenues of the country should be expended in the country, and at the meeting of the Council on the 14th of February I asked a series of questions, hoping to secure the promise that a more liberal purchase of stores would be made in India itself, instead of by indent upon the Secretary of State. If I am correct in assuming that the cost of labour associated with many of the articles purchased by Government represents from 40 to 60 per cent. of the whole, there must be a material loss of income to the people of this country upon indents passing out of it. By purchasing stores locally, the Government would not incur that risk of a falling exchange which merchants have long since found it impossible to undertake. I do not assume that local purchases would either avoid or solve the exchange difficulty, but it is probable that, if the Secretary of State's drafts were to be reduced by 2,000,000*l.* per annum, the cost of stores being financed in the ordinary mercantile manner in India and not in London, the rate of Council Bills might, to some extent, be benefited thereby. Lord Cromer at least gave countenance to this idea when, in his Financial Statement of 1881, he remarked:—

> 'It is the opinon of those who speak with the authority of long practical experience, that the effect on exchange of the amount which India has annually to remit to England would not be so oppressive if the Bills to be placed on the market were more equally distributed between the Secretary of State and the public.'

"But, my Lord, in fairness to those who are endeavouring to develope the resources of this country, and in justice to the large body of artisans who have learned their trade under the institutions of the country, including the technical

schools to which the Government has directly contributed, the question of the purchase of supplies in this country ought to be regarded as a matter of great importance. I appear to be justified in saying that Government resolutions favouring the extension of technical education, Viceregal speeches proclaiming the necessity of industrial enterprises, and the Secretary of State's acknowledged concern in the well-being of the landless classes, must become mere platitudes if, while private enterprise is doing its best to revive indigenous industries and establish industrial works, the Government of the country, which must necessarily be the largest and most important purchaser of such manufactures, not only holds aloof, but purposely withdraws its custom from the country in favour of other sources of supply I am not now concerned in discussing the question whether a Government should or should not foster for the benefit of its people industries in their infancy; nor do I propose that the Government of India should adopt the example set by America, by the Colonies, and by nations on the Continent of Europe; but I desire to urge that, if Government is not a purchaser of local manufactures, industrial works cannot reach a high standard of excellence, and the mineral resources of the country cannot be adequately developed. To sum up the position, under existing conditions the iron trade of India can never become an industry at all commensurate with the domestic requirements of this country. The time, my Lord, has passed when objections may be set up against the purchase of stores in India on account of inferiority of quality, want of testing appliances, or loss of competition. The quality of material will be the same, as the same sources of supply are open to both the English and Indian manufacturers. Testing appliances now form a part of the equipment of our principal workshops, and from among the Royal Engineers and Civil Officers of the Public Works Depament I do not hesitate to say the Government could obtain as efficient a staff of inspecting officers as the Director General of Stores at the India Office has at his command. If the Government calls for tenders in India, British manufacturers will quickly represent themselves in India. Suppliers not on the Secretary of State's exclusive list will welcome this as affording them an opportunity to tender for work, and Government will reap the benefit in prices. As an additional check upon prices, Local Governments and Administrations, as the Government of India has already pointed out, might in cases of doubt ask the Director General of Stores at the India Office, by telegram, for approximate rates including the prevailing rates of freight, in order to check the relative prices of English and Indian tenders. I do not see why the Government of India should deny itself the benefit of commercial competition, and should not throw the risk of carriage and of stocks upon importers by purchasing supplies in India, whether these be of local or foreign manufacture. 'Fashions change as regards stores as in other commodities,' wrote the Finance Committee, 'and the numerous store yards in the country are full of obsolete articles.' That the material imported by India is of a low grade of quality is undisputed. The people are poor, and unless their wants can be supplied cheaply, they cannot be supplied at all. An inferior article is better than nothing, and hence a large demand has arisen for low-priced material, and articles of foreign manufacture in most cases are specially prepared to suit the calls of the Eastern trade. Therefore, when in a moment of emergency Government calls for supplies from local markets, the quality, although fairly representing the price charged, may not be equal to that usually imported by Government direct from home. But, because a large trade is done in a low class of goods, it would be extremely unfair to argue that anything better is not available. At higher prices proportionately better goods are obtainable, and, if at present these supplies are limited, it is owing to the diminished and small demand for them. Traders cannot be expected to bear the loss of keeping stores for emergency purposes, unless they receive State support.

"Under the circumstances I have indicated, prices for such retail and occasional purchases can never with any degree of fairness be compared with the cost of goods bought wholesale under regular custom. It thus happens that Indian supplies have never had the chance of being fairly contrasted with the cost of the Home indents, including the true rate of exchange, interest, and the fixed charges of the Stores Department of the India Office. My Lord, bearing in mind the dangers that might beset the Empire in the event of communications with Great Britain being interrupted, or an unexpected demand arising if India is separated

separated from that source of supply without having industries of her own to fall back upon, I respectfully ask if it is not incumbent on Government, as a matter of protection to the Empire, apart from the economic advantage which I have claimed for the system, that Government should resolve to give practical encouragement to local industries and to the development of technical education. My Lord, I ask the Government to give practical effect to this policy, for the value of a resolution issued on the subject in 1891 has been minimised, by departmental restrictions, to the purchase of dobbin carts, hand foundry ladles and dollies, articles indefinitely understood by the trade, but believed to be of small value, and certainly not deserving of the costly testing machinery insisted upon by Government for the examination of the quality of supplies. From time to time the Financial Department has issued resolutions upon the purchase of Stores procurable in this country, but the liberality vouchsafed has been restricted. In one case pasteboards and brass rules for printing have formed the subject of consideration, in another instance ivory slices or paper cutters and plain ink glasses with screw-off tops are set forth as procurable in India (perhaps, my Lord, the article in front of honourable Members is the product of this historical record); another resolution refers to sundials and sulphuric acid, another to handcuffs and ball-bags, and in case I weary the Council I shall lastly refer to a resolution of the Financial Department recommending that glue-pots, iron shooting sticks, and scissors, be procured locally.

"I do not ask Government to entirely abandon the purchase of stores at Home. But I do urge that the Government should call for tenders in India for manufactured articles made up from imported materials, including structures of iron and steel, of dimensions equal to those already successfully constructed by Indian manufacturing firms. I seek that the Public Works Department should follow the example set by the Military Department as described by my honourable friend the Military Member of Your Excellency's Council when on the discussion of the Financial Budget two years ago. He said:—

> "'We are now manufacturing in India clothing and boots for the whole Army of India which were formerly made at Home; we are making ammunition for the Army; we have introduced the manufacture of steel for the projectiles of our heavy guns; and we hope shortly to introduce the manufacture of cordite, the new smokeless powder, for which we are at present dependent on England. I need not say that all this means money spent in India instead of in England, and that it adds to the expenditure shown in the Indian Estimates; but it will undoubtedly, in the near future, cause not only a corresponding, but a greater, decrease in the Home Estimates, because'—

and, my Lord, I desire to emphasise the concluding remarks made by the honourable Member as follows:—

> "'because it has been distinctly shown that we can manufacture in this country, bringing the capital afforded by the State to the cheap labour of the East, much more cheaply than the same articles can be manufactured in England.'

"I feel I am within my duty making this appeal, not only in justice to the important industrial interests of the country, and the claims of the population to have enterprises which promise new avenues for employment fostered and encouraged, but also with a hope of effecting economy in the public expenditure, both by actual saving in the cost of articles purchased locally, and by avoiding delays that are sometimes inevitable when the articles have to be procured by indent on England. And, further, I seek this in order that the requirements of the State may be supplied as much as possible from the resources of India, which, I maintain, the dislocation of the currency has made a pressing necessity. In the report of the Finance Committee a complaint was made of the excessive delay caused in the execution of indents by the Stores Department of the India Office, and I think I am warranted in believing that on account of these vexatious delays officers of the Government of India would be glad if they could make less use of the Director General of Stores. I am led to understand, my Lord, that the Stores Department of the India Office costs 42,000*l.* a year, and employs, it is said, 600 out of the 1,200 persons that are engaged in the India Office. I cannot help thinking it would be a gain to India if the greater part

of this sum of eight and a half lakhs of rupees could be saved. Year by year new trades have been developed and the ability of local enterprise to undertake large works has increased; this should be followed by a reduction of orders on England; it should lead to the spending of more money in the country, to the more economical administration of the country by a saving in loss by exchange. Our Indian manufacturers look for no monopoly. All they want is permission to meet their English competitors on equal terms, and on the understanding that, everything else being equal, preference will be given to the men who spend in the country the money necessary to the production of the articles required. Before concluding, I would respectfully express the hope that, in response to the representation made by local firms of engineers, your Excellency will be pleased to remit the Customs duty of 1 per cent. levied on raw material, notably of iron and steel, which I find under paragraph 34 is estimated to produce Rx. 206,600, so that Indian manufacture may not suffer from what is practically protection extended to the importation of machinery, which is admitted free of duty."

The Honourable *Gangadhar Rao Nadhav Chitnavis* said:—"My Lord, last year I described the Finance Minister as a man who is required to swim with his hands and feet tied, and certainly such a man excites all the greater sympathy when the tides are adverse and the waters rough. I therefore congratulate the honourable the Finance Minister on his being able to say that he now finds himself in smoother waters, and that he is able to dazzle our eyes with the mirage of a surplus this year. Surplus, my Lord, is indeed a word which has not been heard of very often of late years in connection with Indian finance. The mere mention of it rejoices the heart of the Indian taxpayer, for at all events it means for him no fresh burdens of taxation, and I doubt not it equally rejoices the Government of the country, for certainly no humane Government could feel cheered up at the prospect of overtaxing its subjects and starving them in the long run. I am aware, my Lord, that the view is urged in certain quarters that the financial arrangements of the Government of India are, as a policy, so regulated as to exhaust the very last resources of the taxpayer, and to further foreign interests in total disregard of the interests of the children of the soil. My Lord, it is an opinion against which I would give the most emphatic possible protest, for with such a policy as a whole no Government in the world could have more than a most ephemeral existence. Rightly or wrongly, India is sometimes likened to the goose that used to lay golden eggs; but who would be so foolish, my Lord, after the fable has grown pretty old in the world, as to kill the goose for the sake of enriching one's self all in one day? The best interests of England and the English Government can only be served by looking first to the interests of the ruled and then to those of the ruling country; and, if any Government in power reverses this policy, or disregards it even for a moment, future Governments have to pay the penalty, and I am not sure that the present straits of the Government are not said to be to some extent the inevitable result of overlooking this far-sighted policy some time in the past.

"The policy, however, which has mainly guided the English Government in this country hitherto, and which will continue to guide it so long as England can produce such far-sighted statesmen as we see at the present day, will, I venture to hope, be that policy which was well defined some twenty years ago by the late Prime Minister. 'Our title to be in India,' said Mr. Gladstone, 'depends on a first condition, that our being there is profitable to the Indian nations; and on a second condition, that we can make them see and understand it to be profitable'—a statement which calls to my mind the words of another great statesman, a former Viceroy of India, I mean Lord Lawrence, who said that 'light taxation is the panacea for foreign rule in India.'

"When, therefore, my Lord, the Government is able to announce that it has to impose no further burdens upon its subjects, I feel that the pleasure is shared by both governed and governors alike.

"At the same time, my Lord, I cannot but think that, despite the best wishes of the Government, the Indian taxpayer is well nigh bent double with his burden, and that any additional pressure could only break his back. The best proof of this, I believe, is the imposition of the cotton duties, a measure which secured for the Secretary of State such strong opposition from a very influential section of the British public, and which, I believe, he would have held on refusing

refusing to accede to, had there been open to him any further ways of taxing the Indian people without a marked and glaring injustice.

"With regard to such duties, or rather the excise duty, I notice, by the way, that the Secretary of State is reported to have said that, if it should appear that the Government has drawn the line too high, he would consult with the Indian Government with a view to lower the limit, or, in other words, to render the excise duty more burdensome. This does not, to my mind, seem precisely the same language as was used by him when the excise was introduced in this council, for he then gave us to understand distinctly that, if the limit of 20 was lower than necessary to avoid protection, the Government would have power to raise the limit, and, in fact, he promised to raise the limit if facts in his possession should be borne out. There is no doubt, however, the Honourable the Finance Minister will be able to tell us the true explanation of these words. One cannot, however, conceal from one's self that the result of all these trade restrictions is to further ruin the export trade in Indian-made cottons, already seriously injured by the currency policy of the Government in closing the mints. I see that the British Consul, Mr. Whitehead, estimates this policy as a bounty of over two million pounds sterling paid to Japanese manufacturers.

"But, however much I might congratulate the Honourable the Finance Minister for having, with the help of such means as he has enumerated, steered himself into smoother waters, I cannot but feel concerned at the gathering clouds in the North-West horizon, which, I am afraid, bursting ere long, will bring back all his troubles in an aggravated form and scatter his surplus of Rx. 46,200 to the winds. The notes of warning I should be inclined to read in more than one sentence uttered by the Honourable the Finance Minister on Thursday last. 'This is not to be understood,' said he, referring to the Rx. 150,000 set aside for the preparations in connection with the Chitral operations, 'this is not to be understood as an estimate of the probable cost of these operations if they are undertaken.' Since last Thursday we know that they must be undertaken, and the worst predictions of the public will be realised.

"I can only wish, my Lord, that the fate which the Honourable the Finance Minister says has awaited him this year may also await him at about this time in the next, that is to say, I wish that he may not have 'to wind up, after enumerating the causes which have contributed to producing in the Revised Estimates a better result than the Budget Estimates, by deploring a mournful set-off in the excess of military expenditure.'

"My Lord, I join with the Honourable the Finance Minister in viewing the financial position as quite unsafe until the Famine Insurance Grant has been renewed, and I regret to see that there is but little indication of its being restored in the near future. The subject has been talked of so much since last March, both here and in England, and its importance so clearly made out, that I feel sure your Excellency's Government does not stand in need of any further expression of views on the subject on my part.

"My Lord, there is one item in the Budget which gives me the greatest pleasure to read, and that is the fact that the pay of the native sepoy will, from July next, be raised from Rs. 7 to Rs. 9. I am sure that, when it is announced to them that this has at last been brought about by very strong representations by his Excellency the present Commander-in-Chief, Oriental loyalty and gratitude will seek vent for themselves, and they will give three cheers for his Excellency and three more for the Government of India. It is true, no doubt, that the importance of the matter was realised by the Government just after 100 years, during which period the value of commodities has, in many cases, quadrupled; but, as the saying goes, better late than never.

"In congratulating the Honourable the Finance Minister, as I sincerely do, upon the success which has attended his conversion operations, there is one point on which I should like to dwell an instant. Many public institutions, which had invested their funds chiefly in Government securities, and which are dependent upon the interest of them for their support, have suffered, and will in the future suffer, greatly; and I leave it for your Excellency's Government to consider if the support which is thus taken away from them ought not to be made up for by some other slight concession in their favour.

There appears, also, to be some precedent for this, for I notice that the younger members of the family of the late Mahárájá Dhuleep Singh, who had 72,000*l.* of 4 per cent., have been awarded in lieu thereof 96,000*l.* of a 3 per cent. stock.

"I am glad to observe from the Financial Statement that the Government of India recognised the necessity of suspending the collections of land revenue in the Central Provinces during 1894-95 owing to failure of crops in parts of those provinces. Yet I read with no little concern that the whole revenue which was thus postponed, re appears, not in instalments, but all at once in the Budget Estimate for the coming year, together with the entire revenue for that year.

"So far as I am informed, and I have good opportunities of being well informed, the state of crops this year has by no means improved, if it has not, on the contrary, grown worse than last year. It was only the other day that a deputation of the leading citizens of Saugor, on behalf of the people of the Saugor District, waited upon the Chief Commissioner to represent to him the state of the *kharif* crops in their district, which had been entirely ruined through excessive rain. They showed that there was no hope of the outturn being more than two annas in the rupee, and also that the prospects of the *rabi* crop were not hopeful either. A considerable area of land has remained untilled for want of seed and funds for payment of labour. The linseed crop and, in many cases, the wheat crop, have already been damaged by rust. What has been said about Saugor might be said with equal truth about Wardha, Bhandara, and some other districts of the province. The people, it is said in the local paper just to hand, have a very gloomy future before them, and they are likely to suffer another famine more terrible in its effects than the previous one.

"Such being the prospects of crops in my provinces, I am quite confident that postponements of revenue will be still more urgently needed in this coming year than in the one about to expire, and that the Budget Estimate of the land revenue in my provinces has been fixed at rather an impossible figure. This figure alone, if properly estimated, would, in my opinion, convert the surplus into a deficit.

"With this question of failure of crops is intimately connected the question of the indebtedness of the agricultural population, which has of late years attracted deserved attention from the Government. There has been continued failure of crops for some years, and the Government considered it needful to suspend the collection of revenue. This year the Government comes forward to realise its past dues all in one year, and that a year of scarcity. The only recourse open to the agricultural population to pay their dues is, therefore, to borrow at high rates of interest and ruin themselves beyond recovery. Under circumstances such as these, the idea occurs to me of going back to the old Indian methods of remission of Government revenue in part and realisation of rent in kind. This, I think, is a very possible means of saving the agricultural population from further indebtedness and improving their condition.

"With regard to the forest revenue of my provinces, it will be remembered that last year I put a question here, asking the Government of India if it would consider the advisability of reducing the grazing dues and forest rates of the Central Provinces, which pressed very hard upon the agricultural population. I take this opportunity of thankfully acknowledging the very sympathetic reply of the Government, promising to commend the subject to the continued attention of the local administration; and it is a great pleasure to me to say that the Government has since given a still wider effect to its promises, by publishing a general Resolution, applicable to all provinces alike, laying down a policy of leniency as to the supply of forest produce for domestic use, and in the matter of grazing over forest lands—a Resolution which, in my provinces, was hailed with such feelings of delight and gratitude that public meetings were held in many districts thanking your Excellency's Government for the very just concessions granted to them.

"With regard to this forest question again, my Lord, it is urged that we spend more for the conservancy and improvements of forests than what we get in return. It is supposed that a larger growth of trees would make rainfall more regular. This proposition is not universally admitted to be true. But, even if a greater regularity in the rainfall could be insured by the improvement

of

of our forests, are we not perhaps paying rather a heavy rate of insurance, considering the uncertainty as to how long we must pay this rate before we get any tangible results?

"I am glad to notice that the cost of the Opium Commission has fallen on the right people, and that an important principle has been decided, namely, that the people of India will not be mulcted in items of payment which should justly be met by England.

"With regard to the exchange compensation, my Lord, whatever may have been the justice or polity of it, I do not propose to do more than say one word in reference to the difficult issues it has involved. Like the famous apple of discord, it seems to have raised far more heartburnings amongst its recipients than almost any other question, and an amount of hatred, envy, and malice, has been excited by it which I am sure the Government never foresaw. The amount of the compensation is, I notice, almost the same as the amount of the cotton duties, and I may perhaps safely say that but for this extra amount the cotton duties need not have been raised at all, and we should have been spared the bitter antagonism now being displayed in Lancashire over this question, and the humiliation of being made the battle-ground of English party strife, and we should also have been spared the raising of questions of infinite importance to India, the raising of which, unless solved, is almost a disaster. Truly I may say that the grant of exchange compensation has been like the fabled dragon's teeth sown by the sorceress Medea!

"My Lord, I would not like to take up the time of the Council with any further criticisms in reference to the Financial Statement presented this year: so far as it goes, it is no doubt a very favourable one. It is perhaps very unkind for a non-official member to criticise the Budget Statements of such critical years as we are passing through, for, while he is almost by nature inclined to point out that there might be greater savings in every department of expenditure, the Government perhaps thinks that it had already done its best to effect it. A non-official member is perhaps too inclined to think that the ever-increasing military expenditure of the country ought to be effectually reduced, and that the internal reforms of the country should be taken up in right earnest, such questions as, for instance, the separation of the executive and the judicial, which I believe would tend (though it may sound paradoxical) to strengthen the executive, better prospects of pay and promotion to the police, greater aids to education, longer periods of settlements, etc., etc. The importance of questions such as these, in a financial crisis like the present, are necessarily lost upon the Government, and a non-official member thus performs a somewhat thankless task. His views are resented by the Government as inopportune, and he is unable to secure any benefit for the people he represents.

"But, whether or not the Government be in a position to accept the suggestions of non-official members given out in this chamber from year to year, it is easy to see that the position is this. Our expenditure is every year increasing, and there seems to be no limit to the increase. On the other hand, the sources of income as at present constituted seem to have reached very nearly their last limit. India has been known through ages to be a very rich country, perhaps the richest in the world. But to-day she is hardly able to bear the costs of government; for surely it means nothing else when year after year we find ourselves face to face with liabilities greater than our assets, and the Finance Minister at his wit's end to make expenditure and income meet. What would a private individual under such circumstances be driven to? Either he would seek an asylum in the Insolvency Court, or, if he had any hopes of solvency, he would reduce his expenditure. One only hope there seems to be, namely, in making the internal resources of the country ten times more productive that she may be able to pay her expenses. The importation of machinery and capital, the spread of commerce and improved methods of cultivation, would seem to have done a good deal in the right direction; but much more must yet be done, and it would be idle to expect our financial situation to be based upon anything like a permanent and natural foundation, so long as this has not been fully effected by the Government.

"In conclusion, my Lord, I would like to add that, in offering such criticisms of the Financial Statement as I have been able to make, I have acted in no carping spirit, but with an earnest desire to fulfil my duty to my people, and to

effectuate the object of my presence here in your Lordship's advisory Council. I would not do your Excellency's Government the injustice, my Lord, to believe that, summoning to an enlarged Council natives of the country conversant with the feelings of particular provinces or classes of the population, you do not earnestly wish for the real expression of their views, and I should in fact be guilty of a want of confidence in the Government if I did not speak plainly the thoughts that pass through our minds. Finance is so intimately connected with taxation, and taxation with good government and polity, that I have deemed the present the best moment to give my views. Evil we know is done by want of thought as well as want of heart, and I and the people whom I have the honour to represent feel that many, if not most, of the misunderstandings which arise between the rulers and ruled in this country are the result rather of ignorance than want of sympathy, and that such ignorance is often a matter of the sincerest regret on the part of the Government. It is therefore in the best spirit of loyalty that I have said what I had to say, a spirit expressed so nobly in the words of Milton that I can scarcely end better than by quoting them as an expression of my views :

> "'For he who freely magnifies what hath been nobly done, and fears not to declare as freely what might be done better, gives ye the best covenant of his fidelity and that his loyalest affection and his hope waits on your proceedings.'"

The Honourable Mr. *Mehta* said :—"My Lord, in presenting the Financial Statement for 1893-94, Sir David Barbour concluded his remarks on the existing position and future policy by saying—

> "'Even under present circumstances, when the horizon is dark with the approach of what may prove to be the greatest financial convulsion of the present century, I do not draw back from the opinion I formerly expressed that the revenues of India are adequate to meet her wants ; but I wish to say in the most emphatic terms that, if the ship of State is to pass successfully through the storm which she is now entering, our measures must be taken in due time, must be regulated by prudence and forethought, and must be carried into execution with strict regard to economy.'

"Many things have happened since then—currency legislation and new taxation—and now in a letter to the English *Times*, dated the 16th February of this year, Sir David Barbour again sees occasion to emphasize the urgent need of practising the old-fashioned virtue of economy. 'I am not one of those,' he says, 'who believe that India is on the verge of immediate bankruptcy, but I hold, and hold very strongly, that the Indian finances require at the present time the most careful and economic management.' It is from this point of view that I propose to offer a few observations on the Financial Statement that has been explained to the Council with a clearness and ability for which we cannot but be thankful. There can be no doubt that the right of discussing it, which has been bestowed upon this Council by the Indian Councils Act, 1892, is a most valuable privilege with large possibilities for the future. At the same time it is difficult not to feel that there is an element of unreality about it, arising from the peculiar position occupied by the Financial Member in your Excellency's Executive Council. In a very recent debate in the House of Lords, Lord Salisbury is reported to have borne testimony to the preponderating influence of the British Treasury and the Chancellor of the Exchequer in the counsels of the Ministry, and to have said that, 'when the Treasury lays its hand upon any matter concerning the future development of the British Empire, the chances of an Imperial policy are small.' The position of the Indian Finance Minister seems to be very nearly the reverse of that of the British Chancellor of the Exchequer. The vulgar gaze is not allowed to penetrate behind the thick curtains that enshroud the sanctuary, but the priests of the tabernacle are sometimes human enough to disclose partial glimpses of the mysteries within. In a valuable paper on 'The Perilous Growth of Indian State Expenditure,' which may well be styled the Confessions of an Indian Finance Minister, Sir Auckland Colvin says that 'a Financial Member of Council is not at liberty to express in his annual Financial Statement his personal point of view on the collective policy of the Government of which he is a member.' But, freed from official chains, both Sir David Barbour and Sir Auckland Colvin, who between them represent the financial

period

period between 1883 to 1892–93, have recently acknowledged that the constitution of the Government of India is such that there is no efficient control over expenditure, and that every Member of the Council, except the Financial Minister, is not only irresponsible for financial equilibrium, but is directly interested in spending, and, as a matter of fact, overpower all his appeals for economy and reduction. It is because we can never be sure that the views expressed in the Financial Statement are those of the Finance Minister himself, that the unreality of which I spoke creeps in. I do not mean to say that these views are not necessarily his own, but, official as his utterances must be, there can be no assurance that they are also personal. I am aware that last year Sir James Westland took the opportunity of proclaiming the harmony which prevailed between him and the heads of the Military and Public Works Department. I think he even went so far as to give expression to his high appreciation of the generosity with which the Honourable the Military Member (General Sir Henry Brackenbury), taking pity on him at finding him 'grovelling in the dust-heaps among fish-maws and sharkfins' to meet a deficit of 3½ crores, gave up to him, with tears in his eyes, stray 'kerosine-lamps, sweepers, and hob-nailed boots.' And yet wonderful things have happened before, and wonderful things may happen still, and we may yet find the present Minister joining, in not a distant future, the noble band of financial knights who consider that the great peril to which Indian finance is exposed, lies not so much in exchange as in increasing expenditure. I do not deny that he is still firm in the gospel which he preached last year in introducing the Indian Tariff Bill, when he said that exchange, and exchange only, was the burden of his song. It may be that he himself may cherish this faith for evermore, but those who had the temerity to disagree with him can now derive some consolation from the fact that their discredited views are now endorsed by the two eminent financiers who were his immediate predecessors in succession. In a representation addressed last year to this Council (dated 12th March 1894), the Bombay Presidency Association ventured to point out that, disturbing as was the factor of falling exchange, the true causes of financial embarrassment lay more largely still in the disproportionate growth of expenditure. In dealing with that representation, the Honourable the Financial Member was very facetious over the pretensions of native amateurs to show the most distinguished service in the world how they ought to govern India, and his mirth was especially aroused at their pretensions to teach him how to manage Indian finance.

"My Lord, I do not complain of the humorous shrift we got at the honourable Member's hands, for it is the old quarrel between the author and his critics. Whenever the criticism is unfavourable, the author turns round upon the critic and contemptuously challenges him to construct instead of simply finding fault. Still, criticism is acknowledged to have its uses, and, though we may not be able to govern ourselves, we may not be so utterly useless in the humbler task of showing the pitfalls and smoothing the road. A year, however, has not elapsed since the contention of the Association was scoffed at and ridiculed, and we find that that very contention is sustained by one of the honourable Member's predecessors. The representation of the Bombay Presidency Association was reproduced in a note presented to the Secretary of State for India by the British Committee of the Indian National Congress. In his paper on 'The Perilous Growth of Indian State Expenditure' to which I have already referred, this is what Sir Auckland Colvin has got to say about it:—

> "'The body which calls itself the Indian National Congress has not hitherto shown itself in my judgment very practical in its suggestions, but it is difficult to differ with a great deal of what it has got to say in this matter of expenditure. If this paper correctly interprets the meaning of the figures which are embodied in it, it shows that there are good grounds for the assertion in the recent 'Note' presented to Parliament by Sir William Wedderburn, that it is more the growth of expenditure than the fall in exchange which has led to the present difficulties. The charges on account of exchange have become mainly formidable because the administrative expenditure which has caused in chief measure the growth of those charges has been itself continuously increasing.'

"Though perhaps in a manner not quite so pointed and direct, Sir David

Barbour has also since his retirement given expression to similar sentiments. At a meeting of the International Bi-Metallic Conference held in the spring of 1894, he summed up the Indian financial situation as follows:—

> "'The facts which I have brought to your notice may be briefly recapitulated—an Eastern country governed in accordance with expensive Western ideas, an immense and poor population, a narrow margin of possible additional taxation, claims for additional expenditure greatly in excess of possible additional revenue, a constant tendency for expenditure to outgrow revenue, a system of government in India favourable to increase of, and unfavourable to reduction of, expenditure, no financial control by intelligent and well-informed public opinion either in India or in England, an insufficient check on expenditure in India, a remote and imperfect control exercised from England, a revenue specially liable to fluctuations from year to year, large and growing foreign payments.'

"These are not the views of clumsy and pretentious native would-be politicians, who audaciously presume to think that they could govern the Empire better, but those of distinguished men whose mature and tried knowledge and experience must command respect, confirming in the most remarkable manner the contention of the Association that it is the enormous increase of expenditure since 1885-86 which is more responsible even than the depreciated rupee for the embarrassed and critical state of Indian finance. But it has been argued that, though it is perfectly true that the expenditure has increased, the increase is justified by the needs of an expanding and progressive Empire. In discussing the present Budget I propose to go a step further than the Association did last year, and endeavour to show that, even if the need for the increase were academically incontrovertible, still it is unjustifiable as being a burden beyond the capacity and resources of the country to bear without dangerous exhaustion. In introducing the Tariff Bill, the Honourable Sir James Westland tried to satisfy the Council that 'it was not by reason of any laxity in controlling expenditure that it was rendered necessary to ask for increased powers of taxation.' In the debate on the Budget last year, the Honourable General Sir Henry Brackenbury was still more emphatic about the impossibility of reducing military expenditure. In replying to the invitation of the Honourable Mr. Playfair, to meet with some degree of fulness the arguments raised in certain quarters for the reduction of the military expenditure, the honourable Member said:—

> "'My Lord,—I have never seen such arguments. I have seen denunciations, I have seen invectives, I have seen statements and assertions, and I have seen appeals to the Government of India to reduce expenditure, but I have never seen one single argument, I have seen no argument put forward by anybody to show that military expenditure in this country could reasonably be reduced.'

"It seems to me that in these utterances both the honourable Members miss one point which is indispensable for sound and solvent finance. Necessity of expenditure is after all a relative term. However great the necessity for a particular item of expenditure, that necessity must be controlled by the ways and means for incurring it, and must be proportioned to the capacity for defraying the expenses of it. I have no doubt that, if the increase of troops in 1886 had been 40,000 instead of 30,000, the Honourable Military Member would have spoken quite as peremptorily against any reasonable reduction of expediture, and would be still roving quite as much in despair in quest of arguments. But the real question is whether the items of military and civil expenditure bear any just and reasonable proportion to the revenue that can be possibly realised from the country without incurring peril and exhaustion. What is the present position in this respect as disclosed by the Budget laid before the Council? Since 1885-86 the income tax has been re-imposed, or rather the license tax has been developed into an income tax and extended to Burma. A duty was imposed on petroleum. A patwari-cess has been levied in the North-Western Provinces and Oudh. The excise duty on salt has been raised to within eight annas of the highest figure possible if salt is not to be placed beyond the reach of the mass of the people. The import and cotton duties, with an excise duty

on

on yarn, have been fully re-introduced. Altogether something like seven crores of fresh taxation have been imposed since 1885.

"Commenting on this state of things, Sir David Barbour wrote only the other day that 'the burden of taxation is in danger of becoming excessive, and that the further margin of resource to which taxation can be applied is incredibly small, both in itself and from pressure of political considerations.' There is no present hope from exchange; and loss by exchange can no longer be regarded as something separate from expenditure in regard to which it is incurred. It must be now taken as part and parcel of departmental cost.

"Now let us see how the revenue raised after leaving a margin of reserve so exceedingly narrow is disbursed. Taking the legitimate revenue as pointed out by the present Secretary of State for India to be the amount realized from what are called the principal heads of revenue, leaving out such heads as railways, irrigation, post office, and telegraph, of which the receipts and disbursements balance each other more or less, the total revenue for 1892–93, after deducting the cost of collection, was, speaking in round numbers, 51·6 crores of rupees. The accounts of 1893–94 published the other day give the total net revenue for that year at 50·32 crores. The Revised Estimates for 1894–95 just given put it down for that year at 53·74 crores of rupees, and the Budget Estimate for 1895–96 comes to about 54 crores. We know that the item of land revenue is by far the largest single item among the principal heads. In 1892–93 it amounted to 21 crores; in 1893–94 to 21·67 crores; and the Revised Estimates for 1894–95 give it at 21·4 crores, after deducting cost of collection. The Budget Estimate for 1895-96 takes it at 22·2 crores. The land revenue is thus 40 to 41 per cent. of the total net revenue, and still it does not suffice to cover the annual military expenditure of any of these four years. In 1892–93 the cost of the Army Services (23·42), Special Defence Works (·45), and Military Buildings and Roads (1·15), amounted to 25·02 crores, which leaves an expenditure of 24·12 crores after deducting receipts (·9). To this has to be added the charge for interest on account of military railways, which cannot be less than half a crore, but I cannot find the exact figures from the Indian accounts or the Parliamentary returns. The above figures leave out of account the cost of special political expeditions, subsidies and allowances to the Amir of Afghanistan, the Khyber Tribes, and others, charges for organizing Imperial Service Troops, and many other items which really and justly should be brought to the head of military expenditure. In 1893–94 the military expenditure amounted to 23·87 crores of rupees, including and excluding items as in the previous year. The Revised Estimates for 1894–95 put it at 24·87 crores. In the Budget Estimates for 1895-96 it is taken at 25·52 crores.

"What these figures mean is that military expenditure more than fully absorbs one-half of the whole net revenue of the country, or, to put it in another way, if you leave out of account the opium revenue, which cannot be relied on as stable owing to the competition of the home-grown drug in China, the military expenditure absorbs the whole of what has been called taxation revenue proper, derived from salt, stamps, excise, provincial rates, customs as now fully revived, income and other assessed taxes, forest, registration, and tributes from Native States. Such a situation cannot but be regarded with serious anxiety, but its gravity is immeasurably enhanced when we remember how the land revenue is raised to the amount at which it stands. It has been said that the land revenue is only the unearned increment, and the authority of John Stuart Mill and Professor Fawcett has been cited in support. Possibly it ought to be so in pure theory. But, perversely enough, in practice it has the knack of mixing up the earned as well as the unearned increment, and of carrying away the raiyat's fruits of his own labour and improvements along with that of his fickle luck. I admit that there are excellent rules laid down by Government for preventing undue severity in settlement and revision proceedings. But the ingenuity of revenue officers is wonderful, and in spite of limits against over-enhancement the individual cultivator finds the settlement heavy beyond measure. Except in Bengal, four-fifths of the agricultural population is steeped in debt and poverty. If the Saukar presses heavily against the raiyat, it is the revenue officer who has driven the raiyat into the hands of the saukar. But the tale does not end here. Heavy as the assessment mostly is, the rigidity and inelasticity of the system of collection is more crushing still. The Commission appointed to inquire into the Dekkhan Agriculturists' Relief Act advocated

a more liberal practice with regard to remissions and suspensions of revenue; but the Bombay Government actually resented the recommendation as uncalled for and imprudent. The serious import of this state of things arises from the consideration that grand military preparations for protection against foreign invasion, or indeed anything else, are nothing to the cultivator unless he has got something appreciable to protect. It has also been argued that the Indian raiyat is the most lightly taxed subject in the whole world. But, apart from the circumstance that the assessment he has to pay is both rent and tax combined, is it true that he pays no other tax than the salt tax? In debt all his life, does he not pay in stamps and court fees for every application he makes to a revenue officer, for every process that is issued by or against him in the endless resort to courts of one sort or another, and does he not pay registration fees for his perpetual transactions of bonds and mortgages and transfers? Insufficiently fed all the year round, does he not pay the excise duty on liquor and opium, raising the abkari revenue by leaps and bounds? In a recent discussion in the Belgian Chambers, Mons. Lejeune, former Minister of Justice, pointed out from statistics that the consumption of spirits in Belgium had increased to an alarming extent, raising the excise revenue from four millions of francs in 1851 to 33 millions in the present year, and that the principal reason for the increase was the insufficiency of food procurable by the labouring classes. It is a well-known fact that the cultivating labourer ekes out nourishment by the use of alcohol and opium. If he does not pay the income tax, does he not pay the road and other cesses? Has he not, since the new forest policy was introduced, contributed to the forest revenue by paying grazing and other fees and charges which he never had to pay before? As a matter of fact, the Indian raiyat goes through life carrying a load of many burdens on his back. My object in referring to these matters is to try to show that, if revenue can only be raised in this manner, the expenditure for which this revenue is required to be raised, however academically reasonable or incontrovertible in itself, is beyond the capacity and resources of the country.

"In making the above remarks I have no intention of going into the question of the policy which has led to this enormous military expenditure. In answer to the representations in that behalf made in the petition of the Bombay Presidency Association I have referred to, the Honourable Sir James Westland said:—

> "'I am afraid there is an irreconcilable difference of opinion between Your Excellency's Government and the Association. If the latter seriously mean to describe the policy of 'preparedness' on the North-Western Frontier, which I admit has cost us very much on frontier railways, frontier road, and special defences, as a policy of adventure which has weakened the strength and stability of the Empire, I am afraid that no argument of mine will succeed in meeting the objections they raise to the expenditure involved.'

"I at once recognize the practically conclusive force of this argument and the consequent futility of further discussion. It is a little remarkable, however, that Sir Auckland Colvin seems to be under the impression, and that too in October, 1894, that 'since 1885 onwards, so far as he was aware, Indian financiers have never budged from the position on this question of the increased military armaments. They have always uncompromisingly declared them to be hurried on at a cost beyond the resources of India. What has been done, has been done in spite of them and in the teeth of their remonstrances.'

"Possibly the present Finance Minister's acquiescence in the policy may be simply a cry of despair extorted by the utter hopelessness of combating it. The policy, as Sir Auckland Colvin says, is probably popular in England, which not only does not pay the bill but largely profits by it. Anglo-Indian society is also largely in favour of it for many obvious reasons. Even my honourable and learned friend Sir Griffith Evans, who had in 1893 uttered words of wise warning in deprecation of the dangerous outcome of a well-equipped army in advance posts and borders pushed forward, and in military expeditions following wave-like one upon another, recanted the heresy last year and obtained full absolution from the Honourable the Military Member, with the full countenance and encouragement of my honourable friend Mr. Playfair. The cry of those who think otherwise can now only be a cry in the wilderness.

"But,

"But, my Lord, I humbly venture to say that, if it is not possible to reduce military expenditure by any reduction in the Army or any halt in the 'forward' policy, then there is no other remedy for the embarrassment of Indian finance than to implore England and the English Treasury to be just and equitable in their demands for the cost and equipment of the troops they supply. In their Despatch of 8th February 1879, the Government of India earnestly represented that—

> "'Placed as it was under the serious responsibility of so administering the affairs of the greatest dependency of the British Crown that, while British supremacy is strictly guarded, the means of securing the end shall not unduly weigh on the people of the country, it was constrained to represent to Her Majesty's Government that the burden thrown upon India on account of the British troops is excessive, beyond what an impartial judgment would assign in considering the relative material wealth of the two countries and the mutual obligations that subsist between them.'

"Since then the British Army in India has been increased, and so has the intolerable hardship of an apportionment more and more one-sided and unjust. So competent an authority as Sir Charles Dilke unhesitatingly declared that in one portion of the charges only the War Office was levying 750,000*l.* a year more than it was entitled to for several years. But the strangest part of the whole affair is that in India, where the entire financial statement of the whole Empire is supposed to be formally prepared and declared, there is no check here on the demands made for the payments in England. Speaking of the Home Effective Army Estimates, the Honourable Sir Henry Brackenbury frankly confessed last year that—

> "'It is always a complicated business, and we can never know how much we shall have to pay in one year, and how much will hang over for the next; but I can only say that the whole of those Effective Estimates are due to payments under the orders of the Secretary of State which it is very difficult for us to check.'

"In the two debates which took place in the House of Lords in 1893, at the instance of the Earl of Northbrook and the Duke of Argyll, it was abundantly made clear that for the last 20 years and more every Indian Secretary of State, Viceroy, and Commander-in-Chief, has protested against the gross and scandalous injustice with which India has been treated in this matter, and the Earl of Kimberley, then Secretary of State for India, confessed that 'the Indian Government have not, he thought, the same weight as the Home Government have. Indeed,' he said, 'the India Office had no support.'

"As one instance of the way in which this country has been unrestrictedly overcharged, it will be remembered that in 1870 the British Treasury and the War Office hit upon the extraordinary plan under which year by year the actual pensions this country was supposed to be called upon to pay were capitalised and the actual value paid annually. This plan lasted till 1884, increasing the charge to something not less than four millions sterling, in spite of the protestations of the Secretary of State for India that 'this charge ought not to be put fairly upon the ratepayers of India, and that part of the increase was incurred owing to measures carried into effect by the British Government for purposes unconnected with India, such as the abolition of the purchase system and compulsory retirement of officers. The fact is that the predominant partner in the concern has taken, and still takes, advantage of his superior position to press heavily on his weak and poor associate.' The worst of it is that there does not seem to be any prospect yet of obtaining a just relief. It is not a satisfactory way of dealing with the question, and, if I may be allowed to say so, not worthy of the honour and greatness of England, to meet all prayers for inquiry and equitable adjustment by mysterious threats of something worse and tables turned. The same threats were held out when the Duke of Argyll protested against the principle of charging India for indirect benefits. On that principle the whole cost of British administration might be thrown on India, for that administration is absolutely indispensable for the existence of British rule in this country. In the present state of Indian finance, when difficulties surround it on every side, it is more than ever necessary to do

justice to this country, for it is neither wise nor politic to raise bitter feelings of utter helplessness against financial pressure from all quarters. If the enormous military expenditure cannot be reduced by reducing the Army or by moderating the Home Army Estimates, then who can say that Sir Auckland Colvin may not after all be a true prophet when, Cassandra-like, he says that 'Russia without moving a man or a gun need only bide her time, and that, if slow and sure is her game, slowly and surely we shall be playing her hand for her.' Your policy will in that case only succeed in strengthening the outposts at the heavy cost of irretrievably weakening the base.

"My Lord, I have spoken freely in the firm consciousness of a true and sincere loyalty, for, if by loyalty is meant a keen solicitude for the safety and permanence of the Indian Empire in which I am persuaded lie implanted the roots of the welfare, prosperity, and regeneration of this country, then I claim to be more loyal than Englishmen and Anglo-Indians themselves, who are sometimes led to subordinate the interests of that safety and that permanence to the impetuous impulses of a singularly brave spirit, to the seductions of conquest and imperial vainglory, or to the immediate gains and temptations of commercial enterprise.

"Passing from military expenditure, I shall refer briefly to other burdens, also too great for the capacity of the country. It is difficult to make out what portion of the sum of about 17 crores represents the salaries of Civil officials drawing Rs. 1,000 and more, who are not already included in the departments which are not taken in account in arriving at the net revenue and expenditure. But that it must be an enormous amount can be seen from the superannuation Retired and Compassionate Allowances and Civil Furlough and Absentee Allowances paid in England. In 1892–93 they amounted respectively to 2·7 crores and ·33 crores of rupees. The accounts just issued for 1893–94 do not give separately the charges paid in England and in India for the Superannuation and Pension Allowances; but, making an approximately fair deduction of ·9 crores from the joint total of 3·86 crores, there remains very nearly three crores of rupees for the Superannuation, &c., charges paid in England. The Civil Furlough and Absentee Allowances, &c., the same year amount to ·32 crores. The Budget Estimates for these items for 1895-96 show an approximate total increase of half a crore. There can be no doubt that a very thick slice of the net revenue must go to pay the salaries, pensions, and allowances of the higher officers of the Civil Departments; the amount, in a rough estimate, can scarcely be less than 12 crores. The burden is heavier by the grant of the Exchange Compensation Allowance. Last year it amounted to Rx. 1,235,900, *i.e.*, a crore and 24 lakhs. I do not propose to say anything about its justice or propriety, for I recognise that it is as natural for those who helped themselves to it to be convinced of its absolute justice as for those who have to pay it to be sceptical about its necessity. But still there is the burden, and the outcome of these enormous payments on a few heads is that you have very little left for the most necessary purpose. There was a confession made the other day in this Council that the police force in every district is ordinarily kept at the lowest strength and cost compatible with the discharge of ordinary functions in quiet times, though indeed, when the greater portion of the cost can be taken from another body like the Bombay Corporation, then no cost is too heavy for a liberal margin of strength. The separation of executive and judicial functions pronounced by Lord Dufferin to be a counsel of perfection, and admitted by past and present Secretaries of State to be a most desirable reform, cannot be carried out for want of means. You are unable to spend more than the fiftieth part of your net revenue on the education of the whole country; in fact, it is just about equal in this year's Budget to the exchange compensation allowance. The Government resolution on the progress of education finds satisfaction in a gradual increase of the number of schools and pupils, in the same spirit in which the efficiency of criminal justice is sometimes estimated by the number of convictions and the severity of sentences. But it is forgotten that the equipment of schools and colleges is as important a factor in their valuation as numbers, just as the vindication of innocence is as important in the efficient discharge of criminal justice as the conviction of guilt. There is not a school or college in all India that can bear any comparison with the schools, colleges, and lycées of England, France, Germany, and other civilised countries. In that spirit of humorous banter which

which I am glad the heavy monotony of figures and statistics has not driven out of the honourable the Finance Member, Sir James Westland was last year pleasantly sarcastic over 'the united wisdom of the native gentlemen interested in politics, who met at Christmas at Lahore to show us how we ought to govern India,' and enjoyed a hearty laugh over their proposals to reduce revenue and increase expenditure at one and the same time. Though of course they could not bear comparison with members of the most distinguished service in the world, these gentlemen are still not altogether devoid of logic and sense in their suggestions. It is not very difficult to understand that, if you economise in the right directions, you can reduce revenue and increase expenditure in others. If you could reduce your military expenditure to reasonable proportions, if you could steady your 'forward' policy so as not to lead to incessant costly expeditions, if you could get your inflated Army Home Estimates moderated, if you could devise ways by which the huge burdens of salaries and pensions could be lightened, then it is not chimerical to imagine that you could improve your judicial machinery, strengthen your police, develope a sounder system of education, cover the country with useful public works and railways, undertake larger sanitary measures, cheapen the post and telegraph, and still be in a position to relieve small incomes, to press less heavily on the land, to give the cultivators breathing time, and to reduce the salt-tax.

"It is from the above point of view that the Financial Statement which the honourable Member has presented to the Council can scarcely be considered wholly satisfactory. While fully recognizing that he is surrounded by adverse and difficult circumstances, and that his hand is not free, still the fact remains that the new Budget is a hand-to-mouth Budget, and not based on enduring principles of sound finance. Fortune has smiled on him during the past year, and it is difficult not to read beneath the lines that he still entertains a lurking faith in windfalls and miracles for the new year. He shows a surplus of four and a-half lakhs of rupees, but it is a speculative surplus. It is obtained after the imposition of taxation to the tune of over three crores, after putting the Famine Insurance Fund in abeyance, after taking the rate of exchange probably higher than it is likely to be maintained, and after shutting his eyes to the heavy cloud that is looming in the North-West. And all this in a year of prosperity and peace, when the country has remained free from famine and war, barring of course the frontier expeditions, which, as predicted by Sir Auckland Colvin, must now be accepted as a trouble quite as constant and irremediable as exchange. The prospect before us is really neither hopeful nor cheering; and, in spite of his efforts to administer some grains of consolation, the real note that the honourable Member strikes is unmistakably when he winds up by saying 'that many causes for anxiety still remain, and we may again be in difficulties before many months are over.' What then? is a question whose gravity it will be more easy to appreciate than to solve."

The Honourable Sir *Antony MacDonnell* said:—"I wish to make a few remarks to the Council with reference to some observations which have fallen from my honourable friends the Honourable the Mahárájá of Ajudhiá and the Honourable Mr. Chitnavis. There are also one or two matters which have struck me in the discursive speech of the Honourable Mr. Mehta to which I wish to allude. The Honourable the Mahárájá of Ajudhiá complained that in the administration of the land-revenue system of the country the Government paid but insufficient attention to the granting of remissions and the suspension of demand in tracts more or less affected by scarcity. The question of the suspension of land revenue is one which has been attracting and receiving the careful attention of the Government during Your Excellency's term of office. There could be no more unfortunate illustration of our failure to perform our duties in this respect than that given by the Honourable the Mahárájá of Ajudhiá. He referred to the scarcity which prevailed in the northern parts of the Central Provinces, and he enforced his arguments by stating that no suspension of land revenue was given in that particular tract. Now the fact is that the entire land revenue in that tract was suspended by the Government of India as soon as the first responsible information of the occurrence of scarcity was received. The amount of land revenue suspended was something like five lakhs of rupees, and, although in the note prefixed to the Budget Estimate of the

Central Provinces the statement is made that this revenue will probably be recovered during the forthcoming year, such is not the intention of Government. The administrative arrangements made are that the land revenue then suspended will be collected during two years at least, and in certain tracts the period will be longer. The Honourable Mr. Chitnavis has stated generally that in the Central Provinces there was at the present time apprehension of greater scarcity, and I understood the honourable Member to make an appeal to Government for greater leniency in the assessment and collection of revenue. The result of this scarcity reported from the northern tracts of the Central Provinces was such as to falsify the apprehensions of those who expected that the scarcity would be very severe. There is no part, perhaps, of district economy in this country in respect to which it is easier to make a mistake than the subject of the power of the people of a district to withstand scarcity. It was in the northern parts of the Central Provinces apprehended that before the month of June was over stocks would have become exhausted and the people thrown on the Government for support. As a matter of fact, the importation of grain into that part of the Central Provinces was very slight, and the employment which it was found necessary by the Government to give was of a very limited character. The conclusion which was inevitably forced upon the local officers and the Government of India was that larger stocks existed in the country than were believed to exist, and that the pauperized condition of the people, which we are asked to believe in, had no existence except in the apprehensions of certain local associations to which reference has been made in this Council. There is no intention on the part of the Government of India to impose upon the people of this country in the shape of land revenue heavier burdens than they can easily bear. The Honourable Mr. Mehta has made a severe attack upon us upon this point, but it will be apparent to the Council that his remarks were more of a general and discursive character such as it is very difficult for a Minister in my position to meet without having had previous notice. It is very easy to say that the land revenue is over-assessed, and that the people are starving. But such statements should be supported by a citation of concrete instances. The argument of the Honourable Member who has last spoken is that starvation drives people to intoxication, that people who are starving spend upon drink and the other luxuries in preference to spending it on food. The suggestion that a man who was hungry would buy drink and other intoxicants in preference to food is not one which would recommend itself to the sense of the Council. I am in a position, from my own experience as administrator of a province in which land settlement was carried out on a large scale, to give to the statement of the Honourable Mr. Mehta a direct contradiction, not a contradiction in general terms, but a contradiction in reference to particular facts. When I took over charge of the Central Provinces from Sir Alexander Mackenzie, I was not long there before an organized attack was made upon the settlement which had just been completed in the Chhatisgarh Division of the Central Provinces, and especially in the Bilaspur District of that Division, and numerous memorials were presented to me. The associations in that part of the country and in the neighbouring districts were active, and the result was that I resolved to proceed to that part of the country and satisfy myself by local inspection. I went to the spot and found myself confronted by the largest crowd I ever saw collected on such an occasion. There must have been at least 25,000 people, so well had the agitation been conducted. But I was at once struck by the extreme difference between the statements of the people about their poverty and the prosperous appearance they presented. I went into facts and made a report, which I believe was afterwards referred to in the House of Commons, and I found that over an area of something like 10,000 square miles, in which the settlements had been made in the Bilaspur and neighbouring districts, the rates assessed by the Government and distributed between the Government and the landlords averaged no more than 5 per cent. of the gross produce of the land. My Lord, one ounce of fact like this is worth a ton of theory or diffuse statements. If I say that I have known a particular place or district in which charges against the Government were made in no less forcible language than we have heard here to-day, and if I say that after careful inquiry I ascertained that the amount the Government took and distributed between itself and the owners of the soil amounted to only 5 per cent. of the gross produce

produce of the land, I venture to think that that statement will be a sufficient answer to the charges made against the Government of over-assessment of its land revenue. The Honourable Mr. Mehta, among the other statements which he made against the Government to-day, has referred to one which falls particularly within my province. It is the statement that, although the Government cannot have money to improve its services, it is easy for it to take money from such a Corporation as the Bombay Corporation when it so desires. The particular instance to which the honourable Member refers was this. Owing to the insufficiency of the Bombay police, riots of a disgraceful character which shocked the intelligence of the whole country occurred in that city. The Government of that presidency, as in duty bound, examined the state of the police, and came to the conclusion that, having regard to the circumstances which had grown up since the strength of the police was last fixed, the scale was inadequate and required to be enlarged. A certain scale was proposed which was carefully scrutinised by the Government of India, and the conclusion that was come to by both Governments was that a certain addition should be made to the force. The Bombay Corporation met the proposal to increase the police force with a refusal to pay, and the ground on which they refused to pay was this: they said, 'we will be responsible with our present police force for public order so long as things are quiet, but we altogether disclaim any responsibility for making provision for the preservation of the peace in times of disturbance. When a riot breaks out, or when any forces are called into operation which test beyond endurance the capacity of the police force which we employ, then we fall back upon the military forces of the Government to maintain order'—that is, to do the duty which the Corporation is expected by the law to do. That, my Lord, is the true colour and substance of the argument, or rather innuendo, which the Honourable Mr. Mehta has addressed to this Council as indicative of a failure of the Government to perform its duty.

"There is no part of the administration which has more received your Excellency's anxious attention than the land revenue administration of the country, and it is a great source of disappointment to me personally that I am about to leave your Excellency's Council before I was able to take as large a part as I expected I should be able to take in bringing the discussion on that subject to a satisfactory conclusion. But I can, on this, the last, occasion on which I shall have the honour of addressing your Excellency in this Council, bear my testimony to the deep interest which every member of the Government of India takes in that great question of agricultural indebtedness in India, and to their anxiety to lessen the burden on the shoulders of the raiyat and to reduce the demands of the Government within the narrowest limit of equity to the general taxpayer. I trust that before long your Excellency will have seen your way to a solution of that great question, and, if that is done, the last vestige of ground will be cut away from under the feet of hostile critics who are often ill-acquainted with the difficulties of the situation, and that the Government of India will by consent of all stand forth, as to those who know it has always stood forth, as the greatest defender of the cultivator of the soil, and, indeed, his only real protector from those who would extract more from him than he can afford to pay."

The Honourable *Lieutenant-General Sir Henry Brackenbury* said:—"The Military Estimates account for so much of the expenditure side of the Budget Estimates of your Excellency's Government, that I think it is due to this Council and to the public that the Military Member of your Excellency's Council should explain them somewhat more fully than is done in the Financial Statement, and, if necessary, justify and especially explain any increase in the Military Estimates over those of the preceding year.

"My Lord, I am not a practised debater, and I am unable to meet in detail the elaborately prepared speech of the Honourable Mr. Mehta dealing with great questions of military expenditure, concerning no one of which has any notice whatever been given to me that they would be called in question; nevertheless, I did my best to follow that speech, and I am afraid, my Lord, that I must repeat, after listening to that statement, very much what I said last year. I have listened with much interest for any argument or any detail which I could carefully take up, and I have failed to find any. But I have heard very much the same general denunciations and assertions against military expenditure that I am familiar with in a certain portion of the Press.

"I fear, my Lord, I cannot agree with the view of the position in your Excellency's Council of the Financial Member which is taken by the Honourable Mr. Mehta. The position of the Financial Member, so far as military expenditure is concerned, is very clearly defined. Both he and the Military Member are, as members of your Excellency's Government, responsible for financial economy; both are equally responsible for military efficiency.

"It may be that Sir David Barbour and Sir Auckland Colvin, out of office, find their consciences pricking them for not having sufficiently inculcated economy when in office. I can only say that no Military Member has ever had a tighter hand over him than that of Sir James Westland has been over me. I was called upon by him, when he took office, to justify in the most minute detail every item of expenditure in the Estimates for many years. I can never include in the forthcoming Estimates for a year any new charge, until my honourable colleague is satisfied with its necessity, and that he has money to meet it.

"The standard of military efficiency is fixed by the conditions of this Empire, and is determined by your Excellency's Government with the approval of the Secretary of State. This standard being fixed, the details of military expenditure are largely beyond the control of either Military Member or Finance Member.

"In the discussion on the Financial Statement last year I spoke at great, and what I fear must have been to some wearisome, length on the subject of the Military Estimates. I explained in detail how these Estimates are composed. I divided them into their several great heads. I showed how, with the exception of the great variations, due to fluctuations of exchange and to frontier expeditions, there had been no appreciable rise in those Estimates over which the Government of India has control since the year 1885–86. I endeavoured to prove that the bulk of the Indian Military Estimates, being based upon fixed numbers of troops, fixed rates of pay and allowances, fixed scales of food and clothing, fixed armaments, and fixed reserves of stores, could not be touched, and that there is practically no method of reducing the Estimates except by reducing the normal number of troops, reducing the pay of troops, or reducing the reserves of stores; and I showed what I ventured to think were good reasons against the adoption of any of these reductions. I went on further to say that I could not honestly state that even with the present strength of the army there was no probability of a rise in military expenditure.

"The facts and figures which I will now lay before Council will, I venture to think, bear out all that I then said.

"I will deal with net figures, as I did in the two preceding years. First, as regards the Military Budget Estimates of the year 1894–95, which is about to close. The net charges of the Budget Estimates were Rs.15,41,67,000, the net charges of the revised Estimates are Rs.15,24,61,000, showing a reduction in the revised Estimate, as compared with the Budget Estimate, of Rs.17,06,000. Thus for the first time for a great number of years, as Sir James Westland has pointed out, it is believed that the net military expenditure within the year will be actually less than was estimated for. This fact is the more remarkable because during the year 1894–95 a number of very heavy charges fell upon the Military Department which were not provided for in the Estimates.

"To begin with, under the orders of the Secretary of State, we estimated for the pay of the British soldier at the exchange rate of 1*s.* 3¼*d.* the rupee; we paid him with the Secretary of State's approval at the actual average current rate of exchange fixed quarterly, which for the whole year gave an all-round rate of 1*s.* 1⅛*d.*; the difference amounted to 31¾ lakhs. We estimated for exchange compensation allowance at 1*s.* 2*d.* per rupee, we paid it at an average of about 1*s.* 1⅛*d.*; this difference amounted to 5¼ lakhs. The Home authorities for some reason, which is as yet unexplained, sent us out drafts for British cavalry and infantry considerably in excess of the authorised establishment, and this caused an additional expenditure of 5 lakhs. The escorts for the demarcation of the Afghan Boundary would have caused a comparatively small addition to the Estimates, had it not been that at the time when we were engaged in negotiations with the Waziris of a friendly character, and were actually offering them increased subsidies and assurances of our intention not to interfere with their internal affairs or their independence, the Mahsud Waziris made an unprovoked attack in force upon the escort attached to our Commissioner

missioner for the demarcation of the Afghan boundary. For years past we have borne patiently with their raids into the Gomal and Zhob Valleys, and even now, after this night attack upon our camp, we offered them terms that were generous, to avoid the necessity for a punitive expedition. But these terms they would not accept, and it became necessary to send into their country a force sufficient to punish the evildoers. That force, under the command of General Sir William Lockhart, marched through the whole of the Mahsud country from end to end, and encountered no organised opposition. The purdah of this wild tribe has been lifted; they have learnt that they are no longer safe from our avenging arm even to the remotest recesses of their hills. They have now complied with all the terms demanded of them by Sir William Lockhart; the demarcation of the Afghan boundary on the Waziri frontier has been practically completed, and the bulk of the force has returned, or is returning, to British India. This expedition, which was forced upon us much against our will, has been practically a bloodless success. But the charge for it, which falls under the year 1894–95, amounts to nearly 20 lakhs, which was not provided for in the Estimate.

"Owing to the fall in the gold value of silver, we were obliged this year to pay a higher price in rupees for our Australian remounts, or the shippers would have failed to meet our demands. This accounts for a net increase in our remount charges of Rs. 1,20,000. A steady increase in the number of reservists of the Native Army accounts for Rs. 1,30,000. Increased pay to lance ranks in the British Army, introduced by the War Office, amounts to half a lakh; and we had to purchase nearly four lakhs' worth of malt liquor more than we estimated for.

"The items of increase which I have enumerated amount to nearly 69 lakhs of compulsory charges not provided for in the Estimates. How is it that with these large additional charges we still find that the amount estimated for has not been exceeded? More than half of the above increase of 69 lakhs is made up for by one single item, fall in the price of articles of food. Owing to the splendid harvests the price of grain supplies fell largely, and this item alone accounts for a saving of 37½ lakhs. We also had receipts of about 12 lakhs more than we had estimated for, chiefly due to increased takings from larger sales of malt liquor, and to increased sales of ordnance and clothing stores. These two items, 37½ lakhs and 12 lakhs, account for 49½ lakhs, and the remaining 20 lakhs of the saving are spread over the whole of the Estimates. There are savings in staff, transport, hire of transport, railway charges, clothing materials, ordnance stores, artificers, and other miscellaneous items, and I think I am justified in expressing my opinion that this result is partly due to improved financial control.

"Speaking last year I said that a system of control had been lately introduced, which would enable the Military Member of your Excellency's Council to keep his finger on the pulse of military expenditure constantly in a way that it had been impossible to do before. I may now say that the opinion which I then expressed has been justified. I had my finger upon that pulse throughout the year, and was able to watch each rise and fall. But that alone, valuable as such a control is, would not have the desired effect. The great step taken in the direction of economy was really this. Throughout the year the Government of India steadily and consistently refused all proposals for expenditure not provided for in the Estimates, whether they came from the Commander-in-Chief or from any heads of the great Departments under the Military Department, unless the Commander-in-Chief or the head of the Department could show, first, that the expenditure was of urgent importance, and, secondly, that they could meet it from savings under some head of their Budget. And we endeavoured to enforce upon heads of Departments their responsibility for making every possible economy. They in their turn enforced this upon the administrative and executive officers serving under them, and the result has been a marked diminution in expenditure. I endorse what Sir James Westland has said as to the hearty co-operation of the high military authorities from the Commander-in-Chief downwards, and I cannot express too strongly my sense of satisfaction with the way in which the heads of the great Military Departments have seconded our efforts at economy in this time of financial pressure.

"As regards military works for 1894–95, we took one crore, and I have only to say that the expenditure has been kept slightly within the Estimates.

"Turning to the Home Estimates, I find that the revised Estimates received from the India Office are less than the Budget Estimates by 88,800*l.*, or about 16¼ lakhs. With the exception of the portion of these Estimates due to indents for stores from India, these Estimates are entirely controlled by the Secretary of State for India. As regards that portion of them over which India has control, we have effected a saving of about 40,000*l.* in the year. Exactly the same principle has been followed here as that described previously by me for India. We have refused to allow any head of a Department to indent on England for anything not provided for in the Budget Estimates, unless he could either provide for it by a saving in his Home Estimates or by a corresponding saving in his Indian Estimates. For this purpose we have, for the first time, treated the Home and Indian Estimates as one.

"There remain only the Special Defence Estimates. These were taken in India at Rs. 11,35,000, and in England at 22,600*l.*, giving a total in rupees, including exchange, of Rs. 15,23,000. The revised Indian Estimates amount to Rs. 7,04,000, and the revised Home Special Defence Estimates to 39,900*l.*, or, taken together, to the equivalent of Rs. 14,41,000; thus showing a decrease of Rs. 82,000.

"We arrive then at this result: our revised Military Estimates taken altogether, Home and India, show a net saving over the Budget Estimates presented in March last of—

	Rs.
Military Estimates - - - - -	17,06,000
Home Estimates - - - - -	16,25,000
Special Defence - - - - - -	82,000
	Rs. 34,13,000

exclusive of any saving there may be in military works other than special defences, probably one to two lakhs.

"Before passing to the Estimates for 1895–96, I would mention one subject referred to by the Honourable Mr. Playfair, namely, local supplies of stores. I may say that the Government of India in the Military Department does everything in its power to encourage local industries. Not only are we ourselves manufacturing in this country gunpowder, gun carriages, ammunition of all kinds, ordnance stores, harness, saddlery, &c., but everything suitable for troops that can be made of sufficiently good quality in India is purchased locally. But our difficulty is to get supplies locally made of sufficiently good quality. Every here and there a firm rises to a higher level. Thus we are able to get all the boots for the Army by local manufacture. Tents and certain classes of clothing we can obtain. But, as a rule, the firms in India are unable to work up to our specification.

"We are only too glad to purchase articles of local manufacture; but we are not prepared, nor do the Secretary of State's orders allow us, to purchase through middlemen in India goods which have been manufactured at home, except in cases where either there is great urgency or distinct economy can be shown.

"I now come to the Budget Estimate for 1895–96; and I will first dispose of the Home Estimates, the Special Defence Estimates, and the Military Works Estimates.

"The Home Military Estimates for the coming year show an increase of 12,400*l.* as compared with those for 1894–95. Of this increase 6,000*l.* only is due to demands for stores from India; the remainder is made up of the balance between increases amounting to 52,900*l.* and decreases of 46,500*l.* in the Secretary of State's Estimates. Amongst the notable items of increase is one of 17,300*l.* for the Indian troopship service, explained to be due to the proposed employment of larger transports, and another of 32,000*l.*, payments to War Office for retired pay, &c., of British forces for service in India. This is said to be normal. Amongst the items of decrease is one of 11,000*l.*, payments to War Office in respect of British forces serving in India, due to fewer men passing into the Reserve, and receiving deferred pay, and one of 25,000*l.*, pay and pensions of non-effective and retired officers of the Indian Service, which diminution is due to the Secretary of State's Estimate for 1894–95 for this item having been too high.

"The

"The Special Defence estimates, Home and India, taken together were in 1894-95 Rs. 15,23,000. For 1895-96 they are Rs. 15,47,000, a rise of Rs. 24,000.

"The estimates for this forthcoming year should practically complete the sanctioned works. As regards armaments, those for coast defences are very nearly complete; those for frontier defences are now under supply.

"Last year I stated fully the nature of the services for which the Military Works Estimates provide. We took these estimates for the current year at only a crore of rupees, and I said, 'the result is that, though we have agreed to this temporary reduction to meet a financial difficulty, it means practically the undertaking of no new works, the diminution of the amount for repairs desirable to military roads and buildings, and I would almost say a complete stoppage of all sanitary improvements.' This year we have taken the Military Works Estimates at Rs. 1,15,00,000. This is 4½ lakhs less than the estimates of 1893-94. Out of this Rs. 1,15,00,000, about 95 lakhs go to works in progress, minor works, repairs, establishments, tools and plant, leaving only 20 lakhs for the undertaking of new works, including water supply and all sanitary improvements.

"I now come to the Indian Military Budget Estimates proper, as distinct from Home Estimates, Special Defence Estimates, and Military Works Estimates.

"The net Military Budget Estimate for 1894-95 was Rs. 15,41,67,000; that for 1895-96 is Rs. 16,28,60,000, showing an excess over last year of Rs. 86,93,000. Now, how is this excess accounted for? It is mainly due to the old story, fall in exchange. This year, as I have shown, we took the soldier's pay at 1*s.* 3¼*d.*, and exchange compensation at 1*s.* 2*d.*; for the coming year we have taken the former at 1*s.* 1¼*d.* and the latter at 1*s.* 1*d.*, with the result that we have to add 51 lakhs to our estimates on this account. Then we have 12½ lakhs on account of the occupation of Waziristan and the arrears of that expedition. Eighteen lakhs have been added to the budget for increased pay for the dismounted branches of the Native Army, and 15 lakhs for the preparation of the Chitral Relief Expedition. These four items, fall in exchange, Waziristan, extra pay for the Sepoy, and the new expedition, amount to about 97 lakhs. The actual increase is only 87 lakhs, so that we have net reductions in other directions amounting to some 10 lakhs. Chief among the reductions comes one of 16½ lakhs in our estimate for the price of food supplies. We have not thought it right to assume that the price of food supplies will be as low in the coming year as in the year now ending, and have, as usual, taken the average for the three years preceding the estimates. A number of items for arrears of small expeditions, which were provided last year, have fallen out, amounting to 11½ lakhs, and there are other minor items, with the details of which I need not trouble you.

"Against all these savings have to be put many items of increase. Among these is the introduction of the new system of four commands forming one army of India, to be substituted for the three presidential armies on the 1st April next. The additional charges all fall on the military estimates, while the reduction of the Bombay and Madras Military Secretariats causes savings in the Civil Estimates. Other items are caused by changes in establishments and rates of pay in the British Army made by the War Office at home, by a steady increase in the reservists of the Native Army, and by increased strength of volunteer corps.

"There is the addition due to the increased price we have to pay for Australian remounts, of which I have already spoken; and we have also had to raise the prices for Persian and Arab horses from the Persian Gulf, for a reason quite independent of exchange. That reason is polo. The importers of these Eastern horses find that they can get such high prices for ponies for polo, which they can breed and rear more cheaply than horses, that it is not worth their while to import horses at the Government price, and this year we have been unable to obtain anything like the number of Gulf remounts required. We have, therefore, raised the price for Gulf horses, and, by giving commissions to certain importers, hope next cold season to obtain our full number.

"Briefly, taken together, the result of the various increases and decreases is the above-mentioned net reduction of 10 lakhs, to set against the 97 lakhs of great new items already mentioned.

"Of those four great items which account for more than the whole of the increase in our estimates I will briefly speak.

"First, there is the amount of 51 lakhs due to fall in exchange. This, as you are aware, is entirely outside and beyond the control of the Government of India. The British soldier is entitled to receive his pay in sterling at an official rate of exchange fixed so as to fairly represent the fluctuating current rate of exchange. Exchange compensation is based upon the average of the actual current rate of exchange, and the fall from the rate which we took in the current year's estimates to the rates of 1*s.* 1¼*d.* for the soldier's pay and 1*s.* 1*d.* for exchange compensation taken in the estimates for 1895–96, accounts, as I have said, for the whole of this amount.

"Of the Waziristan Expedition I have already spoken. We have taken 12½ lakhs in this year's estimates for the charges yet to be paid, and for the expense which will still be going on during the withdrawal of the troops in 1895–96, and we hope that the expenditure may not exceed that amount.

"As regards the increase to the pay of the dismounted branches of the Native Army, which is to have effect from 1st July next, I am glad to find that this step is approved by honourable Members representing such important interests as the Mahárájá of Ajudhiá, the Honourable Mr. Playfair, and the Honourable Mr. Chitnavis. I have little to add to the statement made by my honourable friend, Sir James Westland, on Thursday last. As he said, 'the necessity for this measure has for some time past become increasingly evident to all engaged in the administration of India.' I may say that it was left to me as a legacy in the last will and testament of my predecessor in office, Sir George Chesney, four years ago. It was pressed upon me more than once by Lord Roberts, but our financial situation was such that the Government of India was unwilling to embark upon so large a permanent addition to the estimates. Now Sir George White has pointed out to us that, owing to the rise in prices and in the pay of other callings, and to the difficulty experienced by the sepoy, especially during his first three years, in living upon Rs. 7 a month, the service is losing its popularity and prestige, and the Government has considered it necessary at whatever cost to introduce this measure. The Commander-in-Chief showed us that, although it could not perhaps be truly said that the quantity of our recruits was insufficient, the quality was most distinctly falling off, more especially amongst the more warlike northern races, and that there was a marked tendency amongst the soldiers to claim their discharge at an early date, and either return to cultivate their lands or endeavour to obtain more lucrative service in the Burma Military Police or in colonial regiments or police forces. It is hoped that this increase of pay, which we are now about to give, will again draw to the ranks of the army that better class of recruits whom under present conditions we are no longer sufficiently attracting.

"As regards concessions to be simultaneously withdrawn, I will at once say that no concession is to be withdrawn which is common to the whole army, but there are certain special concessions given to certain portions of the army which it is no longer considered necessary to maintain. These are, in part, relics of the old presidential system when each Government arranged for the pay of its own army, and are, in part, additional allowances which were given for service in certain territories, then remote and comparatively inaccessible, but now integral parts of British India, with easy means of communication, where it is no longer necessary that such special concessions should be given. This question is being most carefully considered in detail in consultation with the Commander-in-Chief, and, until the details have been settled, it is impossible to speak more distinctly on the subject.

"When my honourable colleague made his financial statement last week, we hoped that the mobilisation of the first division would be in itself sufficient without any actual hostilities to bring about the relief of our officers and troops in Chitral, and accordingly a sum was taken sufficient to provide for that mobilisation and for the hire of transport for a short period only. That hope is now dead, and we have to face the fact that we must send an expedition.

"Apart from the Chitral Relief Expedition, the two great military features of the coming financial year are, first, the increase of pay to the dismounted branches of the Native Army, of which I have already spoken, and, secondly, the abolition of the Presidential Army system. For 35 years this great reform has

has been advocated. Fifteen years ago the Army Commission, of which Sir Ashley Eden was president, put it in the forefront of its recommendations. From that date to this it has been recommended by every successive Viceroy and every successive Government of India. But it was left to the present Government of Her Majesty to pass the Act of Parliament giving effect to these recommendations. This Act was passed in 1893, but such changes as these, however long they may have been advocated, cannot hastily be carried out. We deliberately decided to postpone the change until the 1st of April this year, in order that we might have time to work out in all their details the vast number of minor changes which were involved. So far as we can judge, details for working the new system have now been elaborated, and we look confidently to its working without any serious difficulty. There will, in future, be one Army of India under one Commander-in-Chief; and that Army of India will be administered and controlled by one Government, the Government of India. For purposes of discipline it will be divided into four great commands, each under a Lieutenant-General—the Punjab, Bengal, Madras, and Bombay Commands.

"The principle which we have endeavoured to carry out has been that of perfect unity of discipline, instruction, and control, with the greatest possible decentralisation of work. We do not pretend that the system will be found perfect, but we are convinced that as defects become evident they can always be repaired; that, if these two principles—unity of command and control, and decentralisation of work and responsibility—are always borne in mind, the new system has in it all the elements of success; and that it will strengthen the Army as an instrument for war without in any way interfering with its order and efficiency in time of peace."

His Honour the *Lieutenant-Governor* said:—"I do not think the Honourable Mr. Playfair would admit that the answer of the honourable Military Member in regard to the purchase of stores in England was a complete parry to his thrust, because I conceive that he referred not so much to the failure of the Military Department to purchase stores as to the failure of the Public Works Department; indeed he went so far as to make a charge against the Public Works Department of the Local Governments, that, although the Resolution of the Government of India was not over-liberal in the arrangements made and the permission given for the purchase of those stores in India, yet the Local Public Works Department had whittled away that promise and had not carried it out effectually. My Lord, this is a subject to which I have paid great attention, and those who know the literature of the subject know that there are few persons who have more strenuously advocated the purchase of stores when they can be obtained in India in preference to purchasing them from England under proper conditions of safety and efficiency than I have. It so happened that I was lately making an inquiry in my own Public Works Department to ascertain how and to what extent that Resolution of the Government of India of 1891 had been carried out, and why so little had been done in this direction to meet the demands which I had heard from time to time from manufacturers and saw mentioned in the papers, and I found that the charge made against the Government, which has been suggested, does not, in my opinion, hold water in any respect. The chief condition laid down in that Resolution was that articles which might be obtained in India were those which had not been wholly or even partially finished in England, but must have been, to a great extent, manufactured in this country. Now, I find that the principal articles purchased from England by the Public Works Department in Bengal are rolled joists for roofs and girders, and I may say that these articles cannot be purchased in India, because they are not made here. It certainly would not be desirable that we should, to a large extent, employ merchants in India to procure for us articles ready-made in England which we could purchase direct from the manufacturers ourselves. It is inconceivable that that could be done with economy, because there is the profit of the middleman to be earned out of the articles to be consumed. Until we get some manufacturers who do work in wrought-iron or in cast steel, who can supply us with rolled beams, steel sleepers, and articles of this kind in India, I am afraid it is impossible that the supply of stores of the kind which the Public Works indents for from England can be largely diminished.

"But, my Lord, my chief object in addressing the Council to-day is to add

my voice to the chorus of those who have congratulated the honourable Finance Minister on the splendid success of the Budget which he has laid before us, and on the astonishing result, so contrary to all expectations, of the financial management of the past year; and I think it is only fair to him to say that I congratulate him quite as much on the good luck that he has had as on the firm and sagacious control which he has exercised over the finances, because the tenor of the criticisms we so constantly hear against the financial position of the Government of India seems to imply that we are never entitled to any good luck at all. When we show a deficit and are able to point out that that deficit has been due to certain circumstances which have contributed to it, which we had no reason to expect, which it was beyond the power of man to avoid, and which are pure matters of bad luck, we are always told that we ought to have made allowance for it, and that we cannot count an argument of that kind on the credit side. When we have good luck it seems to me equally important to point out that the luck does change at times, that we have occasional periods of good fortune as we have had during this year, and that we have reason to hope that the luck will not constantly be against us, and that the time will come when one particular source of bad luck, namely, the continul fall in exchange, will be eliminated, and the receipts and expenditure of the Government of India will be able to be foreseen and managed on a definite basis and in a confident way, which is now impossible.

"It has been very gratifying to all those who are interested in the prospects of the finances to see the optimistic tone which has been taken by the Right Honourable the Secretary of State in his speech at the Northbrook Club and in his speech in the House of Commons, and I would draw special attention to one point on which he dwelt and to one answer which was given by him. The point which he dwelt upon was the smallness of our public debt, and that almost the whole of it is covered by our assets, those assets being the railways, canals, and similar permanent and valuable public works which it has been incurred to construct. An answer was made to this by the editor of the "Investor's Review," and that answer attempted to demolish Mr. Fowler's argument. I need hardly say that it effected nothing of the kind.

"My honourable friend, Sir Griffith Evans, has spoken of one class of critics who assail the Government, and whom he has described as the fools who should be brayed in a mortar. The poet, Robert Browning, described another class as the 'bitter heart that bides its time and bites.' To which of those two classes the editor of this important financial paper belongs it is difficult to say. But he committed himself to the astonishing reply that it was a common thing in bankruptcy to show assets which were more than the liabilities, but which could not be realised. Now, either he knew nothing about his subject, or knowing his subject he deliberately misrepresented the facts as they stand. I am particularly interested as a partner, and not altogether a sleeping partner, in the Eastern Bengal State Railway, of the management of which I cannot speak too highly, and the good fortune of which has been as prominent as its good management; and I have with me the statistics of the last five years showing that the Eastern Bengal State Railway on a capital rising from 10 to 10½ crores has produced a profit of 6·74, 5·10, 5·93, 6·69, and in the current year 8·20 profit on its capital. Now, I would appeal to any of my commercial friends in this place and any honourable Member who understands the value of a working railway, whether the assets which are put down at 10½ crores are not fully represented by the profits of that railway, and whether, if we went into the market, we could not immediately raise not 10 but more like 20 crores by the sale of that railway. I have only given one instance with which I am particularly acquainted, but I have no doubt the same thing applies to many other railways, and that the assets of our railways, if taken at the market value, would not only cover the capital expenditure on them, but would cover it over and over again, and would completely clear us of the onus of any debt in this country at all.

"I would carefully avoid being supposed to have included among the two classes of critics whom I have described the honourable Member who has just addressed us in a long and elaborate discourse on the shortcomings of the Government, but I must confess that the feeling left by his speech in my mind is one of absolute despair as to what help we are to expect to get from a gentleman in his position. The honourable gentleman came to us with a great reputation

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as one of the ablest men in Bombay and one of the most leading men in the forward movements of the time. Almost in the first speech that he made in this Council he launched an insinuation against the probity of its official members which caused a shock to the whole Council, which is accustomed to think, and which has reason to know, that the company which sits round this Board is a company of honourable gentlemen. That taunt, as we have seen, was taken up by Sir Henry James in the House of Commons, and we have all seen how in that assembly of gentlemen the suggestion was received. It is, I think, not too much to say that the fact of Sir Henry James having quoted that insinuation of the honourable Member is the chief cause of the alienation from his side of the majority of the Conservative Members and of the great majority which the Government obtained on that motion. Just as Sir Henry James has borrowed from the honourable gentleman, the honourable gentleman has borrowed from writers at home, from the note drawn up by Sir William Wedderburn, and from the letters addressed to the papers by Sir David Barbour and Sir Auckland Colvin, and he has given us a long *réchauffé* of arguments which we have read before, and, I may say, also read more easily and put in a more concise and pointed way than we have heard to-day. I ask your Excellency, and I ask your Excellency's Council, what possible good can arise from criticism of that kind? How can any reformer, even a reformer as ardent as Sir James Westland himself, yearning to take advantage of every possible opportunity of reducing expenditure, be assisted by vague generalities of the kind we have heard? What possible good can he get from such remarks? The Honourable Sir Antony MacDonnell has pointed out a glaring error in Mr. Mehta's statement regarding the pressure of the land revenue, by showing that the incidence of the assessment in the Chhatisgarh division of the Central Provinces amounted to only 5 per cent. of the value of the produce. I may point to the figures which are given in the Famine Commission's Report to show that the incidence of the land revenue over the whole of India is 7 per cent., or something over 7 per cent., of the value of the produce. With facts of that kind it is idle for the Honourable Mr. Mehta to assert that the land revenue is a crushing load upon the raiyat, and that it is impossible for him to enjoy the comforts and make the progress due to his position under a burden such as that. Then the honourable Member tells us that, although the raiyat pays no taxation which he is absolutely forced to pay except the salt tax, still he contributes to the excise and stamps, and he tried to make out that he contributed to the excise, that is, that he drank spirits or consumed opium, because he was in a state of hunger. Now, all those who know anything about that question, all people who are engaged in practical government, know in the first place that the chief consumers of spirits and opium are not the raiyats, but the lowest classes of society, such as the semi-aboriginal races and the landless labourers, and they also know that the growth of revenue from stamps and from excise is one of the surest evidences of the increase of prosperity in the country Given a year of famine, the prices at which the different spirit shops sell go down at once; given a year of prosperity, the prices paid at auction for these shops go up at once. No one with the slightest knowledge of the subject can for a moment suggest that the consumption of excisable articles is due to famine, and that a raiyat who is unable to buy food for himself would purchase drink or opium. These two suggestions are types of the class of criticisms which we have heard to-day, and I would appeal to the honourable Member to abstain from attacks and criticism of this kind, and to believe the Government is seriously and honestly desirous of receiving information, to obtain practical help in reducing expenditure in any way and in any place in which they can do so without loss of efficiency and without injustice to those with whom it has to deal. Remarks of this helpful and practical kind which have fallen from honourable Members to-day and on former occasions are and have been treasured up by Government, and they are used to the utmost possible extent; and I trust I may be allowed to express the hope that on future occasions the honourable Member will try and imitate that example and give real assistance to those practical reformers who are as anxious as himself, and more constantly employed than himself, in the work of keeping down expenditure, instead of showering crude, broad, and general attacks of this kind upon them."

The Honourable Sir *James Westland* said: "In making an attempt to reply to all the observations which have been laid before your Excellency's Council, I cannot but feel that I am, in one respect, at a very great disadvantage.

According to the usual practice, I make my Financial Statement here, and before making it I carefully put in the hands of the Members who have to hear it the whole thing stated in print, with all its figures and explanations; they are able, therefore, to follow everything that I say at the time. After that they have a whole week to incubate it, and at the end of the week they come prepared with their criticisms upon the subject. When I have to answer the Financial Statement of the Honourable Mr. Mehta, I am confronted with a jingling series of figures which I have not seen in print, which I have had no opportunity of examining, and I am expected to make a reply upon the spot. I can only say that it is beyond the power of man to bear in memory one-tenth part of the figures which the honourable Member has read out to the Council, and which, as I have said, are not even now before me in print. I hope it will be understood that I do not admit in any degree the correctness of these figures. They may be correct, or they may not, but in the observations which I make I beg that it will not be understood that, if I am obliged to pass over any of them without any comment whatever, I am thereby admitting the accuracy of the figures or statements. The honourable gentleman referred to a statement which was prepared by an association of which he is the chairman, and which afterwards, as he said, was laid before Parliament. I dealt with that statement during the discussion of last year, and I pointed out that the figures in it were misleading, that the criticism as to increase of expenditure could not be admitted, and I left, as I thought, very little to be said for it. Afterwards, however, as the honourable Member says, this very statement was furbished up anew and was presented to the House of Commons by Sir William Wedderburn and by Mr. Dadabhai Naoroji. He has omitted, however, to tell the Council what the subsequent fate of this statement was. It was put forward by these two gentlemen with the intention of forming a basis of attack upon the financial management of the Government of India. The India Office naturally expected the attack to be made in the House of Commons, where the Right Honourable the Secretary of State would be able to give an answer to it, but not a single word on the subject was said when the ordinary financial discussion of the Indian Budget was before the House of Commons. Neither of those two gentlemen, Sir William Wedderburn or Mr. Dadabhai Naoroji, made the smallest reference to the statement, and I do not know whether they were even present. At any rate, they laid the statement down upon the Table of the House of Commons, they disappeared, they would not even defend it, and the Secretary of State, therefore, passed the whole thing over with the contempt it deserved. That is the official history of the statement to which the honourable Member, Mr. Mehta, has referred. He has attempted to back up the assertions in the statement by a certificate from one of my predecessors, Sir Auckland Colvin. I was able to take down as they were read out the first five words of Sir Auckland Colvin's statement, 'if this paper correctly attributes'—but I regret to say that I was not able to follow farther."

The Honourable Mr. *Mehta*: "These words refer to a statement in Sir Auckland Colvin's own paper."

The Honourable Sir *James Westland*: "If Sir Auckland Colvin adopted this statement of Sir William Wedderburn's as a correct statement of the financial position or of the increase of expenditure which had taken place in India, I am afraid he showed very much less than his usual acumen; because there was one gigantic blunder which appeared in the very first page of it, a blunder which showed that neither Sir William Wedderburn nor Mr. Dadabhai Naoroji had the remotest conception of the bearing of the accounts upon the point they were raising. What they wished to prove was that expenditure had increased from other causes than exchange; what they actually did was to pick out the figures which are placed in the column of exchange in the annual statement of accounts, and, deducting them, to compare the others. This involves the assumption that the fall of the rupee throws upon us only those burdens which are shown in the column of exchange. Everybody who knows the rudiments of our accounts knows that the column of exchange shows only one item of the burden of the exchange—namely, that portion of the cost which is cast upon us by the necessity of paying a certain amount in sterling in England. The fall of the rupee, however, directly increases our expenditure under many other items. For example, we are bound to pay to the British soldier his pay in sterling. That expenditure, however, is paid in rupees, and the whole of it is shown in the

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rupee column and not in the exchange column at all. Then there is also the exchange compensation. I know that the honourable Member does not approve of the exchange compensation, but there is the fact that, whether the expenditure is one that is to be approved or not, it is an expenditure which is thrown upon us by the fall of the rupee. That expenditure also is one that is shown in the rupee column and not in the exchange column. Take also a number of other petty items. I shall mention one of them: We buy remounts from Australia. The Australians expect to be paid something which will give them a certain sterling return. As a matter of fact, we have been obliged to raise the ordinary payment from Rs. 650 to 45*l*. This is merely a rupee payment, made for the most part in Calcutta, but it is one of the items which has swelled the rupee column by the fall in exchange. I could mention a great many more. The result is that, if any person desires to prove that the expenditure has risen from other causes than exchange, he has to allow not only for the figures which are entered in the exchange column of our estimates, but also for those direct increases due to this cause which are entered in the rupee column. Last year, when I made up a statement on the subject and laid it before the Council, I was very careful to take into account in my explanation, not only the exchange on English expenditure, but also the rupee items which were affected by exchange. I produced the details, and I showed there that, if the increase due to exchange had been left out, the expenditure of the Government of India had not increased. The statement by which Sir William Wedderburn and Mr. Dadabhai Naoroji attempted to prove to the House of Commons, and by which the Bombay Presidency Association attempted to prove to your Excellency last year, that expenditure had increased in other ways than by exchange, was based, as I say, upon a complete misconception of the very elements of the way in which a falling exchange affects our accounts.

"However, I was prepared for this renewed attack, and knew that I should be to-day told that the expenditure had increased in a great number of other ways than those attributable to exchange. I, therefore, prepared for the purpose a certain statement of account. Honourable Members are aware that with the Budget Estimates I presented a statement showing for 10 years back the net revenue and the net expenditure of India. Unfortunately we are obliged in this country—we are almost the only civilised nation that is obliged —to state our expenditure and our revenue in a depreciated currency. The Government of England bring their silver transactions to book at a sterling value. The consequence is that all the revenue and expenditure are shown in sterling figures. Other nations do the same. Their accounts are ruled by a sterling standard. We do exactly the opposite; we convert our sterling into rupees and state our whole account in rupees. Suppose we were to follow their example. Suppose we were to make up our accounts by converting our rupees into sterling, what would be the result? I have got the result here: I do not wish to follow an example I have condemned and merely read out a mass of figures, but I have got copies of the statement* here in print which shows what the actual results are; and Members of Council can examine them for themselves. There is first of all the head of military services, in which we are told such an immense increase of expenditure has taken place. The statement I have drawn up carries on the expenditure from the time before the increase of the Native and British Army in 1886. It will be seen that the expenditure upon the Army at the beginning of the period was about 14 millions sterling. It has now, notwithstanding that increase, come down to 13½ millions sterling. Take the Civil Service, which includes Civil Departments, and includes pensions, salaries, annuities, and various other matters, all of which are of such utter abhorrence, with the exception of the Civil Courts, to the Honourable Mr. Mehta. Here also I would wish to point out that the expenditure has decreased. In the first three years it was 15·2 millions sterling, now it has come down to 11·8 millions. So that here, if you take the measure in sterling, the other services of the Government in all departments have immensely decreased in their burden. The result of all this naturally is that we have been lightening the incidence of the revenue and taxation. The land and forest revenue have come down from the

* *Vide* Appendix.

the standard of 18·8 million sterling to a standard of 14·6 million sterling. The items which are called taxation, such as salt tax and the like, have come down from a standard of 14½ millions. They have lately gone up because there was an increase of a million in consequence of the customs duties imposed this last year, but if that increase be left out of account, it will be seen that the total burden of taxation has during the 12 years under discussion slightly decreased from 14·4 to 14·1 million sterling.

"This is the result, as I say, of an examination of the accounts upon a sterling basis, and the argument that I wish to put before the Council is this, that, if the result of an examination of the accounts upon a sterling basis differs so utterly from the examination upon a rupee basis, the result must be due to the fact that the connection between the rupee and the sterling standard has during the intermediate period been altered. This is only one of numerous ways in which it can be shown that the expenditure of the Government of India has been kept not only within reasonable bounds, but that there has been, in one sense at any rate, a practical diminution of the burden upon the country for many years past. A rupee of burden now is less than what a rupee of burden used to be. We are now, after many years, increasing the sepoy's pay from Rs. 7 to Rs. 9. What is that but a result of the depreciation of the rupee? The rupee is a smaller amount now in this country than it formerly was. We require now to pay Rs. 9 for the kind of service which for many years we got for Rs. 7. There it is that the fall in exchange is perpetually hitting us, and I think that the Government of India can show by the account I have to-day presented that it has practised most marvellous economy, and has been able to meet this perpetually increasing demand without throwing correspondingly enhanced burdens upon the taxpayer.

"It is rather inconvenient to me that the honourable Member should be able to draw from the letters which have been written and made public by my predecessors, Sir Auckland Colvin and Sir David Barbour, an armoury of attack against myself, but in the first place there is a great deal that they say which I distinctly cannot admit. They have alleged, for example, the position of the Financial Member of this Council as an impossible one. He is in a perpetual minority, perpetually being driven against his will to sanction expenditure which he does not approve. In fact, I rather think they give it to be understood that the moment the Additional Members leave this room, the Commander-in-Chief promptly lays the Financial Member on his back upon the table, the other Members proceed to rifle his pockets, while his Excellency the President stands by, feebly deprecating the outrage. Now I wish to point out that, as a matter of fact, there is in the constitution of the Executive Council a weapon with which the Financial Member equalises his position with that of all the other Members combined. By a rule passed under statute about 10 years ago, it is ordained that the Financial Member in any matter of expenditure, if he is supported by the Viceroy, has an absolute veto over any measure, however it may be urged by the other Members of Council. I believe there is not a single instance in which this power has been exercised, but it exists, and the mere fact that no instance has occurred in which it has been exercised shows that the power which that rule gives to the Financial Member has been effective for the purpose for which it has been given. It obviously, in my opinion, throws upon the Financial Member the responsibility of accepting as his own every measure which comes up before the Council and which he does not actively protest against. He is not tied and bound by the votes of a majority. If he accepts a proposal of expenditure, he accepts the responsibility; if he declines it, the project is at an end if the Viceroy supports him; and, if the Viceroy does not go with him, he has the power which every Member of this Council has of recording a dissent. Of course it is easy to see from the statements of Sir Auckland Colvin made in the paper to which the honourable Member has referred, that he disapproved of the enhancement of the expenditure on the Army which took place ten years ago. But there is one thing that ought to be remembered, and that is that even the Financial Member (and I include myself) is not always necessarily in the right. I think, if the Financial Member finds himself in an absolute minority, he may reasonably consider that there is something to be said for the other view. The increase of the Army which took place ten years ago, although it was opposed by Sir Auckland Colvin,

Colvin, was accepted by the Government of India and by the Secretary of State. It must be taken, therefore, as a distinct policy approved by the highest authorities responsible for the administration of India, and as one in their opinion necessitated by the interests of the safety of the Empire.

"Then there is another matter to which the honourable Member referred, and in which I think he is a little unjust. He states that the Government of England are perpetually saddling us with charges which we do not know anything about, which we do not accept, and which we have no relief against. At the present moment I believe there is a Committee of the House of Commons going to sit upon the particular question he referred to. At all events, it must certainly be admitted that these subjects are highly controversial ones. I do not pretend to be able to give an opinion upon them. But to say that the Government of India has no relief in a matter of that sort, and that Her Majesty's Government at home can put any charges upon them when they like without affording any redress to the Government of India, is, I think, simply to say that the House of Commons does not exercise the authority which it is charged to exercise. The House of Commons is in these matters the ultimate authority. It is for the House of Commons to decide whether any particular charges are to be passed on to India or borne by Her Majesty's Government. And, when we know, as a matter of fact, that the House of Commons has appointed Committees to inquire into this matter, I do not think it is true in fact to say that the people of India have in these matters no relief or redress against injustice.

"I thought it right to deal first with the speech of the only honourable Member who took an adverse view of the position. I do not pretend to say that I have exhausted all the possibilities of economy in India. It may be possible to find others, but I think it is wrong to charge the Government of India with extravagance on the mere general ground that certain expenditure has reached a very high amount. That is the main charge of the honourable Member. He has pointed out—which may be perfectly true—that the military charges run away with more than the land revenue of the Empire. That may be true, but it does not amount to proving that we are extravagant in the matter of military charges. The question of the proper amount of military charges is a highly technical question, and I think that people, before they accuse the Government of going in for military charges on an extravagant scale, ought to be able to understand in some measure at least the principle on which these charges are fixed. The Bombay Presidency Association when they wrote their memorandum of last year seemed to me to show not the faintest conception of the manner in which the military charges are to be gauged. Now I would like to put to them one question, and to ask what their judgment upon it is. I would say to them—supposing it is necessary to send 50,000 men across the frontier, how will you distribute the garrisons that are to remain in India? That is the sort of problem that has got to be solved when you fix the total numerical amount at which the Army has to stand. When the Bombay Presidency Association, I do not say are able to give an answer to that question, but merely begin to comprehend the question itself, they will be in a position to give an opinion as to whether the military expenditure is extravagant or not; but when, as we know, their minds are an utter blank upon the subject, their opinion on the matter is worth absolutely nothing. It is useless for them to state that, in their opinion, as distinguished from the opinion of the highest military officers who have studied these questions, the standard of the military expenditure of the Government is too high. The honourable Member has referred to a statement which I made last year, in which I pointed out that the advice which we obtain from the body which he represents is always in the direction of giving up our revenue and increasing our expenditure. He says it is perfectly possible to reconcile these two things, but the method by which it is possible for him to reconcile it is one regarding which he will not enter into detail. That is exactly the complaint I make against suggestions of the kind. We get a large number of suggestions from that venerable body, the National Congress, and they pass resolution after resolution declaring everything they had previously said to remain as true as it ever was. They tell us that this revenue has got to be reduced, land revenue has got to be reduced, the income tax has got to be reduced, &c. This and other expenditure has got to be increased, and they have specified ever so

many increases of expenditure which ought to take place. My honourable friend tells me it is perfectly possible to explain and reconcile these two things. You have only got to decrease some other unmentioned and unspecified expenditure, but I should like to have some details of that expenditure which they want decreased. If the National Congress, in criticising the estimates of the Government of India, will give us an indication of any direction in which it thinks it practicable to pursue economy, I can assure him that it will be examined most thoroughly by every member of the Government concerned. But it is useless to pronounce for all sorts of increases in specific detail, and to talk of the decreases in vague generalities.

"My honourable friend Mr. James has asked me to pledge myself that, when the Post Office Department becomes a large revenue-paying Department, that when we begin to class it with land-revenue, opium, and salt, we shall not appropriate its funds, but strive to spend them upon the Post Office and upon its development. As the honourable Member says, this is the first year in which that head of service has contributed its mite to the general revenues, but I think he is counting his chickens before they are hatched when he begins to ask us what we are going to do with the huge surplus which is to roll in after years. When the widow contributed her mite to the exchequer of the Temple, one of her virtues was that she made no fuss about it; but apparently the honourable Member, when he brings forward his little mite, rings up the high priest, and tells him, 'Now you be very careful, and don't let this mite which is coming in to you lead you into any notion of extravagance, but please remember that there may be claims upon it also.' But the truth is that the honourable Member has not done justice to the Postal Department of which he was himself so long the efficient head. By the manner in which we are obliged to keep our accounts, we are obliged to show the figures by services and not by departments. The consequence is that, as he points out, the head of 'Post Offices' bears a number of charges which are met out of revenue shown under other heads. In the same way, on account of the Post Office, we have to bear charges which appear under other heads; for example, the Public Works head and the heads of pensions, stationery, and general heads—all these include charges for the Department of Post Office. In the administrative accounts of the Post Office, which will be seen in its annual report, it will be observed that the Post Office as a Department has been for a long time a paying Department. It has for some years returned to the Government more than it has spent. I quite admit that the Post Office has claims upon us for its development, and I can only assure my honourable friend Mr. James that the claims of the Post Office in that matter will be very carefully weighed, and not rejected in consequence of any desire on the part of the Financial Department to appropriate the profits of the Postal Department to other and less worthy services.

"To note some of the details to which he has referred, he has asked us to consider the question of the connection of Kurrachee direct with the Home mail. I may say that this is a question which is before the Government of India, but I cannot say how soon it will be decided. It is obvious that contracts for Home mail service have to be made a long time beforehand, and the question of adding a Kurrachee line to the Home service can only be taken up when the question of the renewal of the contract is before us. Whether it will be ultimately considered worth paying for that service what a mail steamer would require for a weekly visit to the Port of Kurrachee, is a matter which must for the present remain open. He has also referred to the desirability of uniting the management of the Post Office and Telegraph. That is another of those great questions which inevitably arise in the course of our development, and will have to be settled in time; but there are such a vast number of questions of that sort which are constantly arising, that it is impossible for me to say anything more about it than that it will be duly considered. We live in India at a tremendous rate. We cover in twenty years the progress of something like a century in Europe, and the number of official questions that we have to decide during these twenty years is probably quite equal to the number which arise during a century in England. Therefore, we must have a little time to consider questions of that sort, and, if we do take a little time to consider them, it is not because we are willing to delay them or because we set our faces against change.

"I have

"I have taken some notes of the speech of my honourable friend, Sir Griffith Evans, and I admit so far what he says, that in the revised estimates a good deal of what has come in to our advantage may be taken as windfalls. I carefully worded my statement on the subject to indicate that that was my opinion; my statement was that the circumstances of the year were so favourable as to land us in a surplus, and I perfectly admit what he says, that a part of this surplus arises out of circumstances that may not recur another year. But as against this I want to take the opportunity of pointing out that there are two windfalls of the inverse sort. I did not mention them in the statement, because I had no occasion to bring forward apologies for a falling-off. But in the first place the land-revenue which has come in to us during the year is about Rx. 300,000, and possibly Rx. 400,000, less than the ordinary standard of a year of land-revenue. Large suspensions had to be made in two or three of the Provinces, and so far as regards the accounts of 1894-95 we received probably Rx. 400,000 less than, if the circumstances had been favourable, we would have received. There was also that immense falling-off in the Great Indian Peninsula Railway due to a bad season in the Central Provinces. There was also an extraordinary charge of Rx. 300,000 due to the anticipatory payment of interest arising out of the conversion of the loan. So that, if you bring those various items together, it would come to at least Rx. 800,000. I think I may claim to put this casual disadvantage against the improvement which arose to us out of a certain circumstance which is not an incidence of financial prosperity, namely, that of the short payments made to the opium cultivators. I do not think that, taken all round, the revenue we realised during the year 1894-95 is in any way less than the current standard of ordinary revenue appropriate to that particular period. I rejoice with him at our being apparently free of the faddism in opium and other matters which has been tying our hands so long. The honourable Member did not refer to another Commission which was also stimulated by home faddists, namely, the Commission on Hemp Drugs. We published in the last Gazette of India our Resolution on the report of that Commission, and it showed in the most distinct way that the wonderful stories which we have continually heard of ganja, as to its deleteriousness, and as to its driving people mad who partook of it, were all based upon the most utter prejudice. It has been shown by the Hemp Drugs Commission, just as it has been shown by the Opium Commission, that ganja and opium are gifts of God, which rightly used (as, by the consumers in this country, they are, with very few exceptions, rightly used) contribute largely to the health and enjoyment of the people of this country. I do not suppose that we shall ever get rid of the faddists at home. They are pretty sure to fasten upon something else. They have been very thoroughly defeated in these two things, but then there are so many old women of both sexes at home who have no business of their own to attend to, and are therefore so anxious to meddle in other people's affairs, that they are quite sure, sooner or later, to take up some other subject if they do not revive these old ones. It will be remembered that, when the Pharisee went down to the Temple to pray, he was not satisfied with merely thanking God that he was not as other men are, but he derived a particular self-satisfaction from being able to point to another man, and to add 'nor even as this publican.' And so it is with these Exeter Hall Pharisees. They are very anxious to find some concrete publican whom they can put forward as a foil to show off their own virtues. It is very comforting for them to know that they are not addicted themselves to the vices of opium and ganja, and so they start these Commissions in order to find out and denounce vices from which they themselves are free, and in order that their feelings of self-satisfaction may be increased by the knowledge that there are people who in some respects are worse than themselves. In both these cases judgment has gone against them. It has been declared that the publican has gone down to his house more justified than the other; for one thing is shown in these reports to be beyond doubt—that everything which can possibly be said against opium and ganja most certainly can be said with tenfold force against alcohol. I am very glad to see that the House of Commons has come to the conclusion that this Opium Commission should be paid for from Her Majesty's Home Treasury. I think it is a good principle that, when it is found that in an inquiry of this kind the Indian Government and the Indian people are absolutely in the right, the people at home should be made to pay the expense.

"I do not know whether your Excellency observed in "The Times" about a week ago what was called 'The Drink Bill of England.' It was shown there that the average consumption of the United Kingdom per head amounted to 3*l.* 10*s.* per annum, that is to say, that every man, woman, and child, spent on an average 3*l.* 10*s.* per annum on liquor. It seems to me something monstrous that the people who are capable of a huge average Drink Bill like this, should presume in such matters to make accusations against a country like India, where the people as a rule are absolute ascetics as compared with ordinary people in England, and to send out commissions of inquiry to convict them of indulgence in intoxicating drugs. I am very glad that the verdict has been so very completely given against them, and that it has been given against them, as His Excellency the late Governor General said in the House of Lords, 'with costs.'

"Another matter to which my honourable friend Sir Griffith Evans referred was a letter which he said had been written by, and which I admit to have received from, the Indian Currency Association. I regret that I cannot attribute to that document the value which he has assigned to it. It appears to have been written under the impression that the half-dozen gentlemen who form the Committee of that Association are charged, either by the Secretary of State or by the public, with the supervision of the proceedings of the Government which affect the currency, and that when they think the Government is going wrong they must call it to account and demand explanations. So far as I know the Secretary of State has not conceded them that authority, and as regards the public I can only say that the two sections of it which are most interested, and know most about the subject, namely, the Banking community and the Commercial community, will have nothing to do with them. The fact is that we thought they had exhausted themselves by the manifesto they issued last July after considerable parade, when they promulgated as their scheme for the restitution of the rupee, a plan by which the Government was alternately to buy silver and coin rupees, and to melt down rupees and sell silver, so as to manipulate exchange according to their free will. A scheme like this, to place in the hands of the Government a power to inflate and contract the circulation at its own pleasure, is opposed to the simplest canons of currency, and any banker would have told them the theory was impossible. The whole thing has dropped into the limbo to which currency schemes still-born are apt to be consigned. I was therefore somewhat surprised to find that the body to which the gentleman who signs the letter calls 'my Committee,' has suddenly sat round its table, and determined that the time has again come when it must assert its authority and call the Government to account.

"They seem to have thought that the Government was under some pledge to bottle up the whole of its rupees, which of course would mean the cessation of its annual and regular grant for capital expenditure. I refused in the beginning of the year to take any active measures for the disposal of the accumulated stock of rupees; but it seems to have been supposed that I meant altogether to stop the ordinary transactions of Government in the way of Railway capital construction and the like. The present estimates for expenditure in 1894-95 and 1895-96 upon Capital construction are only slightly in excess of the ordinary rate, that is, they come to about five crores a year, instead of four; and it is surely rather an exaggeration to talk of this, as the Currency Association has done, as a new departure, and a reversal of the currency policy inaugurated in June 1893.

"I have had to state more than once that the Government has no intention of re-opening the mints, and that is surely a clear indication that the policy of closing the mints is still the policy of the Government. I must say at once that I have no sympathy with the cry that twelve months have passed, and it is time to do something more, and to adopt some of those wonder-working schemes that will, upon purely theoretical grounds, raise the rupee at one bound to 16 pence. We are apt to forget, in the hurry of modern commercial life, that the march of economic causes to economic effects is a very slow progress. I have no currency theories of my own, and, to tell the truth, I dread those of other people; for I have never found any such theory (not even that of mint closing) which did not work out in practice to many quite unforeseen results.

results. My business is with the practical side of the question, and in my view the currency of an Empire is far too important a matter for us to be perpetually playing experiments with it. It took 16 years at least from the time that the expedient of closing the mints was first discussed till after elaborate inquiry by experts it was finally carried into effect. It is to my mind absurd to cry out before two more years are past that the time has come to launch out into some other experiment. It is certain that what may be called the stable condition due to the first act of closing the mints has not yet been reached; and, until we know a little better what the factors are which have contributed to establish the exchange value of our rupee, for the present, at about thirteen pence, it is in my opinion not the part of wisdom to create new ones in the hope that they will enhance the exchange value to a higher figure.

"But there is another special reason which seems to me, at the present moment at least, to forbid any action on our part. The attention of America, and of Germany, and latterly of England also, is being given to the question of the monetization, or at least of the restoration of the value, of silver. It is possible that we may find some relief in measures taken by, or in concert with, some of these nations. And it is certainly not our policy to cut ourselves adrift from the consideration of the question on these wider lines, by taking independent measures of our own, which may not suit the general policy. As I said last year, one consequence of our legislation of 1893 was to show that we would not continue alone to bear the burden of silver depreciation; and, if our action has forced the subject forward into consideration by other nations in their own interests, that is a result on which we may congratulate ourselves while waiting to see its further developments.

"With reference to the final inquiry of the Currency Association, which runs as follows,—'I am to ask whether, since contraction of the circulation by direct action of the Executive has been disapproved of by the Secretary of State, the Government of India will consider the alternative remedy of automatic arrangements for regulating the quantity of currency in circulation, such arrangements being based on a gold reserve in England to secure the convertibility of the rupee, for foreign payments only, into sterling drafts on London,'—I have only to inquire whether the Association attribute any definite meaning to these fine phrases, and, if they do, to ask them to be good enough to explain what is is.

"My honourable friend Mr. Playfair addressed himself at considerable length to the question of the purchase of stores. My honourable friend Sir Charles Elliott has been good enough to reply to some of the matters thus dealt with, but I should like to point out, with reference to the actual figures of these store accounts, that nothing like 2,000,000*l.* of stores can be stated as the amount to which any measures taken by the Government of India can apply. It is quite true that in the Home Accounts 2,000,000*l.* of stores are purchased, but, if the details are looked at, it will be found that the army alone runs away with nearly half the amount. These are warlike stores which obviously cannot be placed in the hands of contractors in this country. Then we have the preparation of currency notes, of stamps, and various other stores of that description, which must also be deducted from the total in order to arrive at any idea of the figure which might indicate the value of stores which it is possible to obtain through private hands. I am thoroughly in accord with the policy stated by my honourable friend the Lieutenant-Governor in transferring to this country as far as possible the preparation of such stores as are required for Government use, but the truth is that we have been very much disappointed in these matters. For example, my honourable friend Sir Henry Brackenbury attempted to get some of the clothing stores for the army in this country, but the arrangements broke down because it turned out that the articles could not be supplied or could not be supplied in time. The manufacturers simply broke their contract, not willingly, but because they had not the means to carry it out. My honourable friend the Lieutenant-Governor has referred to certain iron

stores in which he says he found that the manufacturers in this country could not supply the kind of material required. I promised my honourable friend Mr. Playfair that I would call the attention of the Local Governments to the desirability of their obtaining stores in this country wherever possible. I have a circular on that subject which has been agreed to by the Public Works Department, and which is now under issue and will probably appear in the next Gazette of India. In it we draw the attention of the Local Governments and indenting Departments to the policy which the Government of India has in this matter declared, and ask them to do their best to carry it out. I do not think that the Government of this country can reasonably be charged with any desire to suppress local manufacture or in any way to discourage it. For one thing, I may recall the instance of the Barrakar Iron Works. This was the first endeavour to establish an iron manufactory in this country; the undertaking was largely bolstered up by Government, who made considerable advances towards it, and finally succeeded in having a company created in order to carry on the works, and even now there is a proposal before Government which has for its object the promotion of these very works.

"I would ask my honourable friend Mr. Playfair, if possible, to endeavour to induce his clients to help the Local Government in this matter of stores. They can at least point out to indenting officers what kind of stores they can supply and what quality they can supply. But there is one principle which must be borne in mind in these matters, namely, that the Government will not employ people in this country merely to bring out stores for them from England. It has been proved over and over again, and most elaborate inquiries which have been made on the subject have shown, that by the method of indenting through the Secretary of State we obtain those stores of far better quality, and a far more reliable quality—a very important thing—and cheaper, than we can get them by indenting in this country upon merchants who are purely agents or middlemen and not manufacturers. I myself am very anxious to see the engineering industries of this country properly treated and given a fair chance, and I shall do all I can to promote the system of procuring from them stores which are partly manufactured in this country. With reference to the applications which my honourable friend Mr. Playfair has referred to as being made by these engineering firms, that they should not be weighted with the 1 per cent. duty at present levied on their material, while machinery is imported free, I can only say that the Government are at this moment giving the subject the most anxious consideration, and quite admit the difficulty which arises in connection with it.

"And now, my Lord, I have one thing more to say before I close, and that is to refer again to the statement which has been made that the Finance Minister's position in this Council is that of perpetually fighting a majority of expending colleagues who are opposed to him. I speak at present as Finance Minister and not as representing the Government of India, and I say again what I said last year, that I have throughout found myself in the most perfect accord with the other Members of Your Excellency's Government. I represent that side of Your Excellency's Government which has to enforce economical administration, but it would be ridiculous in me if I were to assume that I alone represent that side. The necessities of our financial position have impressed themselves upon my colleagues, as well as upon me; and, instead of their having continually pressed upon me recommendations for expenditure, which it became my duty as Finance Minister to oppose, they have far more usually undertaken themselves the invidious task of adverse criticism, and declared at once that, under present circumstances, the expenditure, however desirable, must be postponed.

"And I feel sure that they will concur with me in saying that the same spirit has manifested itself throughout in the local administrations and among heads of departments. As I said 12 months ago, no one who has not had to deal with these matters in detail can realise how perpetual are the calls for necessary expenditure in India. With a public service everywhere developing and expanding, and perpetually kept at almost starvation standard, every earnest worker has it perpetually impressed upon him how much more he might do if he were only allowed a little more money. A period of severe economy, such as we have passed through during the past 12 months, and such as we are still under the obligation to continue, involves the efforts of numberless officers, high

high and low, not only to restrict and reduce expenditure within their control, but to carry on their duties with greater labour and under greater disadvantages. All of these have taken their share and take their part in the burden of a rigid economy. I have not found myself a solitary voice of economy crying in a wilderness of extravagance, but have found myself aided and supported in every way in the determination, common to myself and my honourable colleagues, that the Estimates framed 12 months since on a basis of severe economy should be accepted, not only in their letter, but in their spirit, as the rule of expenditure for the year."

His Excellency the *President* said:—"I am afraid that I cannot gratify the curiosity of the Honourable Mr. Mehta, and add to the information which he seems to have obtained from some unknown source, of what takes place when the Council of the Governor General meets in this Chamber without the additional members who give their assistance in making laws and regulations. Even with the explanation of the Honourable Sir James Westland, I must not be taken as admitting the accuracy of this information; but in any case the honourable Financial Member speaks here as the representative of the Government on the general financial position. It is therefore no part of my duty to do more than to emphasise the fact that is apparent from the speeches of the honourable Member and Sir Henry Brackenbury, and from the events that have taken place elsewhere, that the Government of India and Her Majesty's Government are thoroughly in accord in promoting and maintaining the measures which the necessities of India may require.

"There is only one section of the general Financial Statement on which I wish to say a word, and that is the section, beginning with paragraph 59, dealing with the conversion of the 4 per cent. Debt. The Honourable Mr. Playfair has, I think, expressed the public appreciation of the success of this operation which has resulted in a large saving to the Imperial revenues, and has been carried out in a manner calculated not only to ensure success, but to cause as little inconvenience as might be to individuals, or to the money market.

"The honourable Financial Member in paragraph 74 has conveyed to the Banks the thanks which are undoubtedly due to them for their exertions. There was one word which he could not add. I think I ought to say that Her Majesty's Government left the conduct of this matter to the Government of India, and have recorded in a despatch lately received their high appreciation of the manner in which the work has been done by the Financial Department, and especially by the Member in charge. I know that the honourable Member modestly attributes much to a good opportunity, but it is not everyone who knows how to use a good opportunity well; and, as one who has stood by and seen every stage, I think it my duty to bear witness to the tact, resolution, and knowledge displayed in this business by my honourable colleague and his chief coadjutor, Mr. Jacob.

"There is one other subject which has been referred to in this discussion on which I have something to say. The Honourable Sir Griffith Evans called attention to the Chitral Expedition in terms to which I wish to take no objection. I recognise that he speaks with no intention of embarrassing the Government, and I am sure he will appreciate my observation that, while it is easy for him to put general questions and raise questions of general policy, it is quite a different thing for me to follow him over all the ground that he has covered.

"It is desirable that the position of the Government of India in Chitral should be clearly understood. So long ago as 1876 the Mahárájá of Kashmir was permitted to accept the Chitral Mehtar's offer of suzerainty, and the Government of India then undertook to afford countenance and material aid to Kashmir in the defence or maintenance of this arrangement. This pledge has been repeated to Kashmir and also directly to the late Mehtar of Chitral. The Kashmir State and the Government of India have both for years granted annual subsidies to the ruler of Chitral. When the British Agency at Gilgit was withdrawn in 1881, the Kashmir State was assured that the Government

of India nevertheless adhered to their policy with regard to Chitral. This policy has been to accept the *de facto* Mehtar, provided he could maintain his position and accepted the suzerainty of Kashmir.

"One of the consequences of the re-establishment of the Gilgit Agency in 1889 has been that the legitimate influence of the British Government has been maintained by the presence in Chitral territory of an officer who is an assistant to the British agent at Gilgit, with a small escort of regular troops supported by garrisons at Gupis and Ghizr in Yasin. His headquarters have been at Mastuj, but he has been in the habit of visiting the Mehtar at Chitral. This arrangement has been cordially acquiesced in by successive Mehtars. The late Mehtar would have preferred to keep the British officer permanently with him in Chitral itself, but the Government of India declined to increase more than necessary the unavoidable risks of the position.

"It was foreseen that, in case a British officer were in Chitral, and should Nizam-ul-Mulk come to an untimely end in spite of his presence, his position would be one of extreme danger.

"At the time of the murder of Nizam-ul-Mulk in January last Lieutenant Gurdon, the political officer, was on a visit to Chitral with an escort of only 10 men. By great prudence and tact he avoided any collision with Amir-ul-Mulk and his party, and the arrival of a reinforcement of 50 men from Mastuj enabled him to maintain his position till he was joined on 1st February by Mr. Robertson, the British agent at Gilgit.

"That Lieutenant Gurdon's position was one of danger was realised by Mr. Robertson and by the Government of India from the moment that they received the news of Nizam-ul-Mulk's murder. It was impossible for him to withdraw with safety. On 8th January Mr. Robertson wrote to Lieutenant Gurdon:—

> 'If there is any prospect of trouble, sit tight and send off urgent messengers to Mastuj and Ghizr, and do not commit yourself and your escort to that terrible road along the left bank of the river between Mastu and Chitral.'

"Recent events have only too terribly confirmed the wisdom of that advice. It was, therefore, essential that he should be supported or relieved in some manner. It was also considered by the Government to be desirable that Mr. Robertson should go to Chitral to endeavour to bring about a peaceful solution of the succession, a very difficult task for which his experience specially qualified him. He was instructed to report to the Government of India what claimant would be most acceptable to the people.

"All this was in the regular course of business. But at this point Umra Khan appeared on the scene, perhaps as a partner in the plot for the murder of the Mehtar, but at all events as an aggressor, who laid siege to the frontier fort of Kila Drosh. There is no community between the people of Bajaur and the tribes subject to the Mehtar of Chitral, who are different in race, in sentiment, and in character. Umra Khan has entertained for some years past aggressive designs upon Chitral, and has openly acknowledged his enmity with the ruling family. The Government of India have had on several occasions since 1891 to warn Umra Khan that aggression in Chitral would be regarded with disfavour. Umra Khan could make no pretence of a right to interfere in the Chitral succession. He had acknowledged the relative positions of Chitral and the Government of India when in 1890 he himself applied to the Government of India to mediate between him and Chitral in regard to their respective claims to land, which, however, he subsequently occupied by force when the old Mehtar, Aman-ul-Mulk, died in 1892. On the occasion of making his present invasion into Chitral territory, he represented, in writing, to the officers of the Government that he had no design of interfering in the business of Government, but that Amir-ul-Mulk had opposed his wishes, and he had been compelled to become his enemy. Still, the fact remains that it was in defiance of warnings that he came, and it is in defiance of renewed warnings that he still remains.

"Umra

"Umra Khan was joined about the 24th February by Sher Afzal. This man is a brother of the former Mehtar Aman-ul-Mulk, and therefore uncle to the last two rulers. He had long been a refugee from Chitral in Badakshan, whence he made a sudden raid on Chitral in November 1892, killed his nephew Afzul-ul-Mulk, and usurped the power. His rule was short, for, when Nizam-ul-Mulk advanced on 1st December 1892, he had not sufficient support to hold his own, and fled to Kabul, whence he has now re-appeared as a claimant for the Mehtarship. There is reason to believe that he has by no means the unanimous support of the people, but under certain circumstances he might have proved an acceptable candidate. He has, however, come with the open support of Umra Khan, has identified himself with the defiance of the Government of India, and has sent an insolent letter to the British Agent, requiring the withdrawal of all British officers from Chitral, and threatening an advance of Umra Khan's troops should they not be withdrawn.

"It has been necessary to say this much to enable a just view to be formed of the circumstances. Mr. Robertson, in the exercise of his duty as the representative of the Suzerain Power, is present in Chitral. Under ordinary circumstances the forces and supplies at Gilgit would have sufficed for the maintenance of peace and of our proper influence and position. But the circumstances are not normal; the presence of Umra Khan has disturbed the calculations on which the existing arrangements were based. I can best describe the effect of the invasion in Mr. Robertson's own words. Writing from Mastuj on 28th January, he said—

'Umra Khan invested Kila Drosh on the 26th, and has effected a complete change in the situation. All Chitralis are united to resist Umra Khan.'

"In the same letter he said—

'Gurdon cannot withdraw from Chitral without our help; and, if he made any sign of retiring, we should be mobbed and overwhelmed by crowds of fugitives. Chitral is in a state of panic. We cannot get to Chitral before the 31st.

'Umra Khan is credited with a desire to arrest Gurdon, by some people. When we get to Chitral, the situation is not much better, except that Gurdon will be safe.

'If Umra Khan advances rapidly with the most overwhelming force, even then we can hardly retire with prudence; the road is so terribly bad.

'Supplies, if they can be purchased, cannot be brought in at present, as all men are away fighting. My present idea, subject to subsequent alteration or modification, is to try and get to Chitral and hold the fort there, to the bitter end if necessary. If Umra Khan fails at Kila Drosh, or makes no further advance, it is only the supply question which should then trouble us.'

"The fall of Kila Drosh still further accentuated the difficulty. Up till then Mr. Robertson had, after reaching Chitral, maintained most scrupulously the attitude of non-interference prescribed by his instructions, in spite of repeated requests from the Chitralis. But, when Umra Khan had thus committed himself to an act of open hostility, the Government of India felt that, however unwilling they might be to recognise Amir-ul-Mulk as Mehtar, he was there *de facto*, and they were bound to authorise Mr. Robertson to give the Chitralis such material and moral support as was necessary to repel the invaders; and they at the same time gave orders for the reinforcement of the various garrisons so far as troops were available in the Gilgit District. I was a little sorry to hear the remark made by the honourable Member, which might be taken, though I am sure he did not so mean it, as somewhat disparaging to our officers in the Gilgit District. I have before me a list of those officers; and it contains many names of men who, though perhaps comparatively young, have seen much service of the kind they are now called upon to perform, and have been specially selected for the present duty. We are not able at present to write the history of recent events; but we do know that in a moment of emergency Lieutenant

Gurdon, one of these officers, not only kept his head, but showed a courage and resource that would have done credit to the most experienced. I should also mention that Colonel Kelly, commanding the Pioneer Regiment, the senior officer, is now in military command. The orders for the reinforcement of the garrisons issued from Calcutta on 19th February, before Sher Afzal had appeared on the scene, and when the matter before Mr. Robertson and the Government of India was the rendering of assistance to Chitral in protecting the country from an invader, not the support of one candidate against another.

"It soon became apparent that further measures were necessary; and, when, after 1st March, all communication with Mr. Robertson ceased, the Government of India were forced to review the position. Shortly it was this? that Mr. Robertson, our duly accredited Agent, who had been obliged to push on to Chitral, as I have stated, by the paramount necessity of securing Lieutenant Gurdon's safety, was himself cut off by some agency of which we knew little, but which could scarcely be other than hostile. We knew that Mr. Robertson did not regard himself in any immediate danger. He held the fort, a strong position, with about 300 men, and he said that any attack on the fort was 'as improbable as its accomplishment would be impossible'; but his communications being cut, any attempt to replenish his supplies was a very difficult operation, how difficult and dangerous has since been seen. The Government of India were bound by every consideration to relieve their officers from such a position, which, if not immediate, was certainly one of proximate danger.

"Now, reinforcements could not be sent by Kashmir and Gilgit, because the passes are closed by snow until June at earliest, when it would be too late to relieve Mr. Robertson by that circuitous route. There was but one alternative, an advance from Peshawar; and the hostile combination of Umra Khan and Sher Afzal gave an additional justification for its adoption.

"Jandol lies between British India and Chitral on the only road open at this time of the year, and the Government of India have come very reluctantly to the conclusion that, as Umra Khan will not listen to remonstrances, but persists in a course which must result in danger to Mr. Robertson and his party, they have a duty which they must perform, and that is by entering his territory to compel him to look to his own affairs.

"On the best information available, the Government believed that Mr. Robertson's supplies ought to suffice till about the end of April, and the orders for the collection of transport, issued on 7th March, were calculated to enable his relief to be effected by that time. Subsequent arrangements have been made with the same object.

"I have no doubt that honourable Members will agree that the disaster to Captain Ross's party in their attempt to reach Chitral from Mastuj has made it apparent that these orders were not issued a day too soon, and has established the necessity of the expedition.

"It may be desirable to indicate the considerations which have determined the strength of the force which is being mobilised. The Government of India have proclaimed to the tribes along the Peshawar border the object with which this expedition will go forth, and that their independence is absolutely assured; and it is hoped that their concurrence will be obtained. But the Government of India cannot shut their eyes to the fact that they have to secure a long and difficult line of communications, and they are of opinion that in the interests of peace this must be held in great strength. Any resistance offered not merely to the fighting line, but to its supports or convoys, might leave behind fresh grounds of quarrel, and the Government of India, while they must push on to their goal and insist, by force if necessary, upon the removal of the hostile aggression which menaces their officers in Chitral, desire, above all things, to avoid any step which may lead to any extension of the frontiers of British India, or any interference with the independence of the tribes. For the attainment of these objects it is necessary not only to use every effort to convince the tribes of our friendly intentions to them, but also to advance, now that an advance

advance has become inevitable, in such force as to make it evident that any hostility on their part could be instantly and effectually crushed.

"I hope that honourable Members will admit that, in laying before them the information in my possession and the object of the Government, I have spoken with the utmost frankness. I am not going to obscure what I have endeavoured to make clear by being drawn into a disquisition on frontier policy, which might not in any event be very appropriate in this Council, certainly never so inappropriate as now. For the present we have before us a single issue, the claim of brave men, British and Indian, who have not flinched in the performance of their duty, to the support of their countrymen in their hour of need. It is a claim that I believe will go straight home to every British and Indian heart, that will inspire our counsels with unanimity, and will quicken the step of every man whose duty calls him forth on this expedition."

APPENDIX.

STATEMENT of NET REVENUE and EXPENDITURE of the GOVERNMENT of

PART I.—INCOME.

REVENUE.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.	
Rate of the year, *i.e.*, £1=Rx.	1·229	1·243	1·315	1·376	1·420	
I.—LAND REVENUE, &c.:	£.	£.	£.	£.	£.	
1. Land Revenue	18,022,075	17,525,191	17,147,163	16,729,229	16,294,281	1
2. Forest	854,683	792,243	824,134	801,176	789,794	2
3. Tributes from Native States	586,472	562,367	524,483	505,365	523,583	3
	19,463,230	18,879,801	18,495,780	18,035,770	17,607,658	4
Deduct,—Assignments	*645,784*	*670,307*	*692,121*	*730,206*	*718,838*	5
Net	**18,817,446**	**18,209,494**	**17,803,659**	**17,305,564**	**16,888,820**	6
II.—OPIUM	7,778,354	7,092,629	6,801,410	6,498,897	5,995,828	7
Deduct,—Assignments	(*a*)	(*a*) *241*	(*a*) *228*	(*a*) *218*	*1,180*	8
Net	**7,778,354**	**7,092,388**	**6,801,182**	**6,498,679**	**5,994,648**	9
III.—TAXATION:						
1. Salt	4,974,166	5,210,216	4,805,256	4,816,110	4,672,737	10
2. Stamps	2,827,757	2,865,278	2,751,600	2,693,030	2,698,190	11
3. Excise	3,098,453	3,206,333	3,138,216	3,151,325	3,169,322	12
4. Provincial Rates	2,334,570	2,240,774	2,247,322	2,175,050	2,131,624	13
5. Customs	941,060	808,531	888,040	885,259	927,160	14
6. Assessed Taxes	415,234	399,739	369,092	964,829	993,858	15
7. Registration	210,062	229,859	233,500	216,514	218,390	16
	14,801,302	14,960,730	14,433,026	14,902,117	14,811,281	17
Deduct,—Assignments	*362,623*	*355,558*	*369,841*	*321,079*	*314,310*	18
Net	**14,438,679**	**14,605,172**	**14,063,185**	**14,581,038**	**14,496,971**	19
IV.—COMMERCIAL SERVICES (*i.e.*, Post Office and Telegraph)	(*b*)	(*b*)	(*b*)	(*b*)	(*b*)	20
V.—MISCELLANEOUS RECEIPTS (*i.e.*, Mint, Gain by Exchange, and Miscellaneous)	**120,295**	**126,146**	**308,389**	**78,397**	**694,723**	21
	41,154,774	**40,033,200**	**38,976,415**	**38,463,678**	**38,075,162**	22
Excess of Expenditure over Income		310,900	2,130,960		1,428,544	23
	41,154,774	**40,344,100**	**41,107,375**	**38,463,678**	**39,503,706**	24

(*a*) Compensations to Native States, &c., are included under Assignments on account of Land Revenue, &c.
(*b*) In these years the Expenditure exceeded the Income.

APPENDIX.

INDIA, in INDIA and in ENGLAND, for the Twelve years from 1883-88 to 1894-95.

PART I.—INCOME.

	1888-89.	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.	1894-95 (Revised Estimate.)
	1·465	1·449	1·327	1·434	1·602	1·606	1·833
	£.	£.	£.	£.	£.	£.	£.
1	15,676,352	16,515,201	18,085,707	16,664,511	15,515,693	15,478,837	13,887,800
2	919,395	1,023,909	1,087,388	1,035,323	992,023	1,041,712	895,900
3	508,593	536,813	573,145	541,017	493,319	469,030	434,700
4	17,104,340	18,075,923	19,746,240	18,240,851	17,001,034	16,989,579	15,218,400
5	*704,397*	*715,859*	*777,354*	*740,164*	*704,221*	*668,363*	*604,800*
6	**16,399,943**	**17,360,064**	**18,968,886**	**17,500,687**	**16,296,813**	**16,321,216**	**14,613,600**
7	5,843,425	5,924,414	5,938,704	5,586,403	4,990,583	4,017,036	3,993,800
8	*1,139*	*21,639*	*3,589*	*3,305*	*6,014*	*2977*	*2,800*
9	**5,842,286**	**5,902,775**	**5,935,115**	**5,583,098**	**4,984,569**	**4,014,059**	**3,991,000**
10	5,207,389	5,626,872	6,397,364	5,994,707	5,385,852	4,968,048	4,696,300
11	2,650,231	2,788,933	3,031,841	2,938,763	2,743,060	2,701,375	2,490,900
12	3,193,213	3,355,793	3,706,295	3,546,707	3,253,072	3,244,615	2,992,300
13	2,072,893	2,349,222	2,628,213	2,438,447	2,309,310	2,123,207	1,940,400
14	888,471	1,006,545	1,279,095	1,153,423	973,260	992,239	2,027,100
15	1,026,824	1,091,745	1,206,610	1,142,118	1,043,019	1,041,071	971,000
16	225,730	243,621	274,821	277,801	267,644	251,544	226,100
17	15,264,751	16,462,731	18,524,239	17,492,026	15,976,117	15,322,159	15,344,100
18	*308,763*	*328,558*	*357,246*	*324,578*	*268,630*	*254,954*	*237,500*
19	**14,955,988**	**16,134,173**	**18,166,993**	**17,167,448**	**15,707,487**	**15,067,205**	**15,106,600**
20	(c) 25,972	(c) 24,511	17,194	(c) 56,207	(c) 39,129	36,833	106,800
21	732,025	473,596	327,977	195,215	249,060	242,089	190,100
22	37,956,214	39,895,119	43,416,165	40,502,655	37,277,058	35,681,402	34,008,100
23	- - -	- - -	- - -	- - -	520,354	937,651	—
24	37,956,214	39,895,119	43,416,165	40,502,655	37,797,412	36,619,053	34,008,100

(c) Telegraph only.

APPENDIX—*continued.*

STATEMENT of NET REVENUE and EXPENDITURE of the Government of India, in

PART II.—EXPENDITURE

	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.	
Rate of the Year, *i.e.*, £1=Rx.	1·229	1·243	1·315	1·376	1·420	1
	£.	£.	£.	£.	£.	
I.—DEBT SERVICES	2,985,083	3,143,904	2,762,365	2,645,117	3,305,990	2
II.—MILITARY SERVICES:						
1. Army	13,964,449	12,991,745	14,553,030	13,473,224	13,629,762	3
2. Military Works	793,967	731,487	705,645	634,602	839,064	4
3. Special Defence Works	- -	- -	- -	236,636	321,091	5
TOTAL	14,758,416	13,723,232	15,258,675	14,344,462	14,789,917	6
III.—COLLECTION OF REVENUE:						
1. Land Revenue (including District Administration).	2,709,953	2,705,880	2,596,871	2,517,505	2,455,049	7
2. Opium	1,509,944	2,386,693	2,325,632	1,983,236	1,707,195	8
3. Forest	529,679	546,582	517,952	523,060	506,822	9
4. Other Heads	838,071	863,524	798,323	851,444	784,507	10
TOTAL	5,587,647	6,502,679	6,238,778	5,875,245	5,453,573	11
IV.—COMMERCIAL SERVICES:						
1. Post Office and Telegraph	334,409	354,955	329,940	158,206	129,380	12
2. Railways	248,463	846,145	556,533	863,817	1,494,417	13
3. Irrigation	446,211	460,998	544,177	475,231	526,241	14
TOTAL	1,029,083	1,662,098	1,430,650	1,497,254	2,150,038	15
V.—CIVIL SERVICES:						
1. Civil Departments	8,086,056	8,342,792	8,226,740	8,165,932	8,034,463	16
2. Miscellaneous Civil Charges	2,974,063	2,940,517	2,932,492	2,805,637	2,805,368	17
3. Famine Relief and Insurance	1,239,560	1,245,670	1,140,883	224,568	64,363	18
4. Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	(*c*) —*143,503*	211,989	480,734	133,044	56,995	19
5. Civil Works	3,486,545	2,803,677	2,237,600	2,616,837	2,582,058	20
	15,642,721	15,544,645	15,018,449	13,946,018	13,543,247	21
Add or *Deduct*,—Provincial Surplus or Deficit	*378,246*	*232,458*	398,458	25,918	260,941	22
TOTAL	15,264,475	15,312,187	15,416,907	13,971,936	13,804,188	23
	39,624,704	40,344,100	41,107,375	38,334,014	39,503,706	24
Excess of Income over Expenditure	1,530,070	- -	- -	129,664	- -	25
	41,154,774	40,344,100	41,107,375	38,463,678	39,503,706	26

(*a*) This year the Income exceeded the Expenditure.

APPENDIX—*continued.*

India and in England, for the Twelve Years from 1883-84 to 1894-95—*continued.*

PART II.—EXPENDITURE.

	1888-89.	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.	1894-95. (Revised Estimate.)
1	1·165	1·449	1·327	1·434	1·602	1·606	1·833
2	£. 2,641,427	£. 2,324,600	£. 2,460,337	£. 2,395,469	£. 2,188,112	£. 2,164,348	£. 2,324,100
3	13,130,215	13,620,789	15,002,389	14,990,420	14,082,438	13,578,910	12,621,700
4	727,274	755,786	886,851	812,071	718,073	687,762	519,100
5	538,868	475,915	370,708	421,714	285,997	196,070	100,700
6	14,396,357	14,852,490	16,259,948	16,224,205	15,087,408	14,463,642	13,241,500
7	2,398,142	2,501,602	2,771,128	2,673,936	2,457,719	2,437,540	2,23[illegible] 800
8	1,772,972	1,107,926	1,643,712	1,298,098	1,000,543	1,137,431	898,000
9	540,510	538,420	591,002	588,404	540,217	549,382	509,500
10	763,799	769,554	865,840	850,670	769,571	773,803	752,100
11	5,475,423	4,917,502	5,871,682	5,411,108	4,768,050	4,898,156	4,383,400
12	(*b*) 41,570	(*b*) 52,025	(*a*)	(*b*) 32,773	(*b*) 18,525	(*a*)	(*a*)
13	1,524,205	1,278,759	518,026	220,227	1,153,236	930,684	1,318,400
14	492,906	456,690	429,282	469,216	325,655	343,154	297,900
15	2,058,681	1,787,474	947,308	722,216	1,497,416	1,273,838	1,616,300
16	7,852,124	8,061,461	8,874,456	8,504,500	7,899,498	7,883,304	7,254,300
17	2,759,229	2,821,064	2,980,415	3,009,484	3,035,303	2,976,526	2,921,400
18	53,461	414,150	452,232	884,301	696,857	677,511	28,100
19	15,288	3,433	(*c*) —3,627	113,810	211,964	44,793	11,000
20	2,484,379	2,531,043	2,943,271	3,079,564	2,523,541	2,425,522	2,028,500
21	13,164,481	13,831,151	15,246,747	15,591,659	14,367,163	14,007,746	12,243,300
22	194,582	378,945	*149,709*	*167,978*	*110,737*	*188,677*	*356,800*
23	13,359,063	14,210,096	15,097,038	15,423,681	14,256,426	13,819,069	11,886,500
24	37,930,951	38,092,162	40,636,313	40,176,679	37,797,412	36,619,053	33,467,800
25	25,263	1,802,957	2,779,852	325,976	- - -	- -	540,300
26	37,956,214	39,895,119.	43,416,165	40,502,655	37,797,412	36,619,053	34,008,100

(*b*) Post Office only. (*c*) Refund of past Expenditure.

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